



COUNTY GOVERNMENT OF BUNGOMA

COUNTY FISCAL STRATEGY PAPER, 2019

**SUPPORTING “THE BIG FOUR” PLAN FOR JOB CREATION
AND SHARED PROSPERITY**

February, 2019

KENYA 
VISION 2030
Towards a Globally Competitive and Prosperous Kenya

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The document is also available on the website at: www.bungomacounty.go.ke
and www.bungomassembly.go.ke

ALL INQUIRIES ABOUT THIS COUNTY FISCAL STRATEGY PAPER 2019 SHOULD
BE ADDRESSED TO: CHIEF OFFICER, FINANCE AND ECONOMIC PLANNING

LEGAL BASIS FOR FORMULATION OF THE FISCAL STRATEGY PAPER

Section 117 (1) of the Public Finance Management Act, 2012 states that the County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.

In the document, adherence to the fiscal responsibility principles demonstrates prudent and transparent management of public resources in line with the Constitution and the Public Finance Management (PFM) Act, 2012.

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FOREWORD

The 2019 County Fiscal Strategy Paper (CFSP) is prepared against a background of a steady national economy which remains resilient and is projected to grow by 6.0 percent in 2018 from 4.9 percent in 2017. Further, our macroeconomic performance remains broadly stable with overall inflation within target, short term interest rates remaining low and stable as well as a stable exchange rate of the Kenya Shilling to other currencies.

This CFSP comes at early stages of the Third Medium Term Plan (MTP III) of the Kenya Vision 2030 as well as the County Integrated Development Plan (CIDP II) both covering the period 2018-2022 and builds on the gains made in key sectors of the economy during the Second Medium Term Plan (MTP II) and CIDP I. In this regard, the policy goals, priority programs and fiscal framework are aligned to support achievement of the objectives of MTP III and ultimately the Vision 2030.

The CIDP II prioritizes investment in areas with the greatest multiplier effect on the county economy; which are:-

- Promoting all-inclusive growth and employment opportunities
- Investing for socio-economic transformation
- Increasing Households incomes and promoting equity
- Enhancing the availability and equity of gainful employment
- Improving the stock and quality of economic infrastructure
- Increasing access to quality social services
- Promoting science, technology, innovation to enhance competitiveness
- Enhancing human capital development
- Strengthening good governance and security
- Promoting a sustainable population
- Promoting sustainable access and use of the environment and natural resources

The CFSP outlines measures to finance the annual budget as well as strategies to ensure economy of inputs, efficiency of outputs and effectiveness of outcomes. Robust results tracking approaches will be pursued in the medium term to assure project relevance and enhance impact and sustainability of our development agenda.

Certainly, we will augment economic transformation by implementing key programs under 'The Big Four' Plan for job creation and shared prosperity. The focus will be on boosting the manufacturing activities, improving food and nutrition security, achieving universal health coverage and supporting construction of decent and affordable housing for Kenyans. In addition, priority will be given to development enablers such as macroeconomic stability, business environment infrastructure, security, social sector investments, and public sector reforms.

ESTHER WAMALWA

CECM- FINANCE AND ECONOMIC PLANNING

ACKNOWLEDGEMENT

The completion of this strategy paper was as a result of collective effort by all County Government Departments and Agencies (CDAs) who provided valuable information. We are grateful for the involvement of the top management of the County leadership led by H.E the Governor and the County Executive Members and their respective Accounting officers. We applaud the public and the various County stakeholders for their excellent inputs in the county Budgeting process during the Public Consultation Fora.

We appreciate the contribution of all technical officers in generating and compilation of information that is documented in this Fiscal Strategy Paper. We recognize the untiring efforts of the County Budget Secretariat in finalization of this document.

Special thanks to all county sectors led by the County Committee Executive members for guiding the formulation of sectoral submissions which formed the basis of this strategy.

CHRISPINUS BARASA
CHIEF OFFICER - FINANCE AND ECONOMIC PLANNING

ACRONYMS AND ABBREVIATIONS

BOPA	Budget Outlook Review Paper
BRICS	Brazil, Russia, India, China and South Africa
CBK	Central Bank of Kenya
CBR	Central Bank Rate
CFSP	County Fiscal Strategy Paper
CG	County Government
CIDP	County Integrated Development Plan
CRR	Cash Reserve Ratio
EFT	Electronic Funds Transfer
GDP	Gross Domestic Product
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
MDAs	Ministries, Departments, Agencies
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NG	National Government
NSE	Nairobi Stock Exchange
OMO	Open Market Operations
PBB	Performance Based Budgeting
PFMA	Public Finance Management Act, 2012
PPP	Public Private Partnership
SACCOs	Savings and Credit Cooperative Society
TFP	Total Factor Productivity

EXECUTIVE SUMMARY

This County Fiscal Strategy Paper contains information on:

- Broad strategies, priorities and policy goals to be pursued by the County Government in the medium term;
- County outlook on revenues and expenditure projections.

The paper gives a summary of county achievements for the last 2 Financial years, while giving a forecast of what the county will prioritise in the next 3 years.

2019/20 Budget Summary

The budget for FY 2019/20 is divided into Development Allocation of Kshs. 4,340,742,022 representing 35% percent and Recurrent allocation is at Kshs. 8,019,089,702 representing 65% percent.

Economic classification takes the form of ;

- i. Non-discretionary expenditures (Personnel Emoluments); this takes first charge and includes payment of statutory obligations such as salaries, pension and others. These expenditures are projected to account for about 43% of the Budget.
- ii. Operations – make up 21.2% of the FY 2019/20 budget
- iii. Maintenance - Departments are allocated funds for basic maintenance. This accounts for 0.8 per cent of the budget

Development expenditure; as already indicated, it is 30 per cent of the total budget. Development expenditures are shared out on the basis of the sector plans and priorities and other strategic county considerations.

The budget is distributed between the County Executive and County Assembly as follows;

County Government Arm	Allocation	Projection	
	2019/20	2020/21	2021/22
County Executive (Governor)	369,091,633	387,546,215	406,923,525
County CDAs	10,849,078,408	11,391,532,328	11,961,108,945
County Assembly	1,141,661,683	1,198,744,767	1,258,682,006
Totals	12,359,831,724	12,977,823,310	13,626,714,476

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

The indicative ceiling for FY 2019/20 is Kshs 12,359,831,724. The indicative ceilings for County Ministries, Departments and Agencies are as detailed herein;

Department	Details	Allocation FY 2019/20
Agriculture, Livestock, Fisheries, Irrigation and cooperative development	Recurrent	333,709,239
	Development	633,170,951
	Sub Total	966,880,190
Education and vocational training	Recurrent	1,142,252,996
	Development	262,436,788
	Sub Total	1,404,689,784
Health and Sanitation	Recurrent	3,051,968,867
	Development	187,636,327
	Sub Total	3,239,605,194
Sanitation	Recurrent	2,500,000
	Development	13,113,112
	Sub Total	15,613,112
Public Administration	Recurrent	317,297,417
	Development	47,500,000
	Sub Total	364,797,417
Office of the County Secretary, Sub County Administration	Recurrent	142,329,310
	Development	385,000,000
	Sub Total	527,329,310
Roads and Public works	Recurrent	116,787,707
	Development	1,228,914,429
	Sub Total	1,345,702,136
Trade, Energy and Industrialization	Recurrent	30,564,778
	Development	185,892,540
	Sub Total	216,457,318
Lands, Urban and Physical planning	Recurrent	40,585,873
	Development	80,594,837
	Sub Total	121,180,709
Municipal boards	Recurrent kimilili	23,000,000
	Development	220,000,000
	Sub Total	243,000,000
	Recurrent Bungoma	24,200,000
	Development	120,977,100
	Sub Total	145,177,100
Housing	Recurrent	18,785,883
	Development	10,000,000
	Sub Total	28,785,883
Tourism and Environment	Recurrent	138,716,261
	Development	10,000,000
	Sub Total	148,716,261
Water and Natural Resources	Recurrent	39,515,764

Department	Details	Allocation FY 2019/20
	Development	443,390,233
	Sub Total	542,525,640
Gender and Culture,	Recurrent	54,673,226
	Development	20,000,000
	Sub Total	74,673,226
Youth and Sports	Recurrent	10,000,000
	Development	139,016,248
	Sub Total	149,016,248
Finance and Economic planning	Recurrent	1,258,873,005
	Development	79,099,459
	Sub Total	1,337,972,464
Office of the Governor	Recurrent	338,391,200
	Development	
	Sub Total	338,391,200
Office of the Deputy Governor	Recurrent	30,700,433
	Development	
	Sub Total	30,700,433
County Public Service Board	Recurrent	36,576,060
	Development	
	Sub Total	36,576,060
County Assembly	Recurrent	867,661,683
	Development	274,000,000
	Sub Total	1,141,661,683
Grand Total	Recurrent (65%)	8,019,089,702
	Development (35%)	4,340,742,022
	Total	12,359,831,724

Projections for FY 2020/21 and FY 2021/22 is at 5%. Revenue is projected to grow by 5% annually.

To achieve the outputs and outcomes documented in various county plans and policy documents, the County will continue to restrict growth in recurrent spending while doubling its effort in domestic resource mobilization. A raft of tax policy measures will be implemented through the tax amendment law and the Finance Act 2018 whose revenue yield is estimated to grow by 10%. In addition, the modernized and automated revenue collection and management system will help remove administrative bottlenecks, improve compliance and boost revenue collection, thereby supporting our fiscal consolidation efforts.

Further, the establishment of County Service Delivery Unit (SDU) will enhance efficiency in identification and implementation of priority social and investment projects. This takes into account the County's efforts to increase efficiency, effectiveness, transparency, and accountability of public spending. In particular, the

implementation of Public Investment Management (PIM) regulations under the Public Finance Act will streamline the initiation, execution and delivery of public investment projects. It will also curtail runaway projects costs, eliminate duplications and improve working synergy among implementation actors for timely delivery of development projects.

County Departments and Agencies will be rated by results achieved based on their work plans and budgets and as reflected in Performance Contracts signed between His Excellency, the Governor and County Executive Committee Members and cascaded downwards to other officers.

As part of financing strategy, the County shall prepare a resource mobilization strategy to tap into various modalities available both locally and internationally including financial support (FS), Technical Assistance (TA), Structured Learning (SL) and Systems Roll Out (SRO). In addition, the has prepared the County Medium Term Debt Strategy (CMDS) with the aim of;

- i. Supporting the government's strategy in implementing the FY2019/20 budget and over the medium term by ensuring that the government's financial requirement and payment obligations are met at the lowest cost with prudent degree of risk in line with PFM Act, 2012.
- ii. Underscore the County Government's commitment to developing and designing a strategy that is evidence based and feasible in ensuring that public debt levels remains sustainable and supports broad-based and inclusive growth.
- iii. Serve as a strategy of financing the fiscal deficit of the County Government over the Medium Term

I. INTRODUCTION

Overview

1. Section 117 (1) of the Public Finance Management Act, 2012 states that the County, Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.
2. This CFSP underlines the importance of continued pursuit of high and sustainable economic growth, employment creation and poverty reduction objectives. On the fiscal front, it takes cognizance of the reality that available resources are scarce and that there is need to focus on County priority programmes that have high impact on stated national and county objectives, but within a framework of a stable macroeconomic environment.
3. It emphasizes the need to strengthen planning and budgeting based on the Medium Term Expenditure Framework and Programme-Based Budgeting (PBB), which seeks to focus on result-based approach as per the priorities articulated by the County Government. The PBB links funds appropriated by the County Assembly to distinct deliverables and outcomes.
4. The County will continue to pursue broad strategic priorities and policy goals aimed at radiating a sustainable development agenda that is geared towards addressing differential poverty, accelerate productivity and the social well-being of the people.
5. Key achievement realized in the various sectors over the last two years include: improved quality of transport infrastructure; expanded educational infrastructure thereby enabling higher student enrollment and transition rates at both ECDE and Vocational Training Institutes; expansive provision of electricity to urban and rural communities; improved health services and greater reach through the National Health Insurance Fund (NHIF); improved agricultural production emanating from among other things, better accessibility and reduced cost of farm inputs; made significant steps towards supporting growth of the dairy sector; and strengthened the sports and tourism sectors with significant resources earmarked for modernization of Masinde Muliro Stadium.
6. The policy measures outlined in this CFSP seek to further bolster growth in all sectors and foster County economy-wide efficiencies for sustainable and all-inclusive growth.
7. The CFSP 2019 details the County Budget Framework which includes deliberate efforts to achieve a balance between recurrent and development expenditure while conforming to the fiscal responsibility principles of the PFMA, 2012 and the Associated County Government Regulations.

8. The County Fiscal Strategy Paper contains information on:

- Broad strategies, priorities and policy goals to be pursued by the County Government (CG) in the medium term;
- County outlook on revenues and expenditure projections.

II. RECENT ECONOMIC DEVELOPMENTS AND MEDIUM TERM OUTLOOK

Overview

9. Economic activities picked up in 2018, after the slowdown in 2017, reflecting improved Agricultural productivity, better business sentiment and easing of political uncertainty. The economy grew by 5.8 percent, 6.2 percent and 6.0 percent in the first, second and third quarters of 2018 respectively, up from 4.7 percent in similar quarters in 2017. Growth for the first three quarters of 2018 averaged 6.0 percent and is projected to grow by 6.0 percent in 2018 up from 4.9 percent in 2017. This growth is supported by a strong rebound in agricultural output, steadily recovering industrial activity, and robust performance in the services sector.

10. The national economy continues to register macroeconomic stability with low and stable interest rates and a competitive exchange rate to support exports. Month-on-month overall inflation remained stable and within target at 5.7 percent in December 2018 from 5.6 percent in November 2018, largely on account of low food prices following favourable weather conditions and a decline in energy prices due to lower prices of electricity and diesel. However, overall inflation increased from 4.5 percent in December 2017 to 5.7 percent in December 2018 on account of an increase in international oil prices.

11. The foreign exchange market remains stable supported by a continued narrowing in the current account deficit. The current account deficit is expected to narrow to 5.2 percent of GDP in 2018 from 6.3 percent in 2017, with strong performance of agricultural exports particularly tea and horticulture, increased diaspora remittances, strong receipts from tourism, and lower imports of food and Standard Gauge Railway (SGR) related equipment relative to 2017.

12. Over the medium term, economic growth is expected to rise gradually to 7.0 percent per annum due to investments in strategic areas under the “Big Four” Plan that aim to increase job creation through the manufacturing sector, ensure food security and improved nutrition, achieve universal health coverage and provide affordable houses to Kenyans. These efforts will support the business environment, create jobs and ultimately promote broad based inclusive growth.

13. Kenya continues to be ranked favorably in the ease of doing business and as a top investment destination. In the 2019 World Bank’s Doing Business Report, Kenya was ranked position 61 in 2018 moving 19 places from position 80 in 2017.

Global and Regional Economic Developments

14. Global growth is projected to remain steady and grow by 3.7 percent in 2018 and 2019 (Table 1). The leveling-off is driven by the recently announced trade measures, including the tariffs imposed on \$200 billion of US imports from China, closure of output gaps in advanced economies, moderation in trade and investment, and a gradual tightening of financing conditions due to ongoing withdrawal of accommodative monetary policy in advanced economies. Global growth optimism is constrained by rising trade tensions likely to have a negative impact on confidence, asset prices, global trade and investments.

Table 1: Global Economic Growth, Percent

REGION/COUNTRY	Actual	Estimated	Projected
	2017	2018	2019
World	3.7	3.7	3.7
Advanced Economies	2.3	2.4	2.1
Of which: USA	2.2	2.9	2.5
Emerging and Developing Economies	4.7	4.7	4.7
Of which: China	6.9	6.6	6.2
India	6.7	7.3	7.4
Sub-Saharan Africa	2.7	3.1	3.8
Of which: South Africa	1.3	0.8	1.4
Nigeria	0.8	1.9	2.3
EAC-5	5.3	5.9	6.3
Of which: Kenya	4.9	6.0*	6.2*

EAC-5: Burundi, Kenya, Rwanda, Tanzania and Uganda

Source: October 2018 WEO; *Projections by the National Treasury

15. In advanced economies, growth is expected to pick up to 2.4 percent in 2018 up from 2.3 percent in 2017 mainly supported by strong fiscal stimulus in the USA. This growth is however constrained by a slowdown in economic growth in the Euro area and the United Kingdom due to declining global trade and industrial production. Growth is projected to ease to 2.1 percent in 2019 reflecting consequence of the trade war.

16. Among emerging markets and developing economies, growth is expected to stabilize at 4.7 percent in 2018 and 2019 reflecting offsetting developments as growth moderates to a sustainable pace in China, while it improves in India reflecting increased domestic

demand. Higher oil prices have also lifted growth among fuel-exporting economies in sub-Saharan Africa and the Middle East.

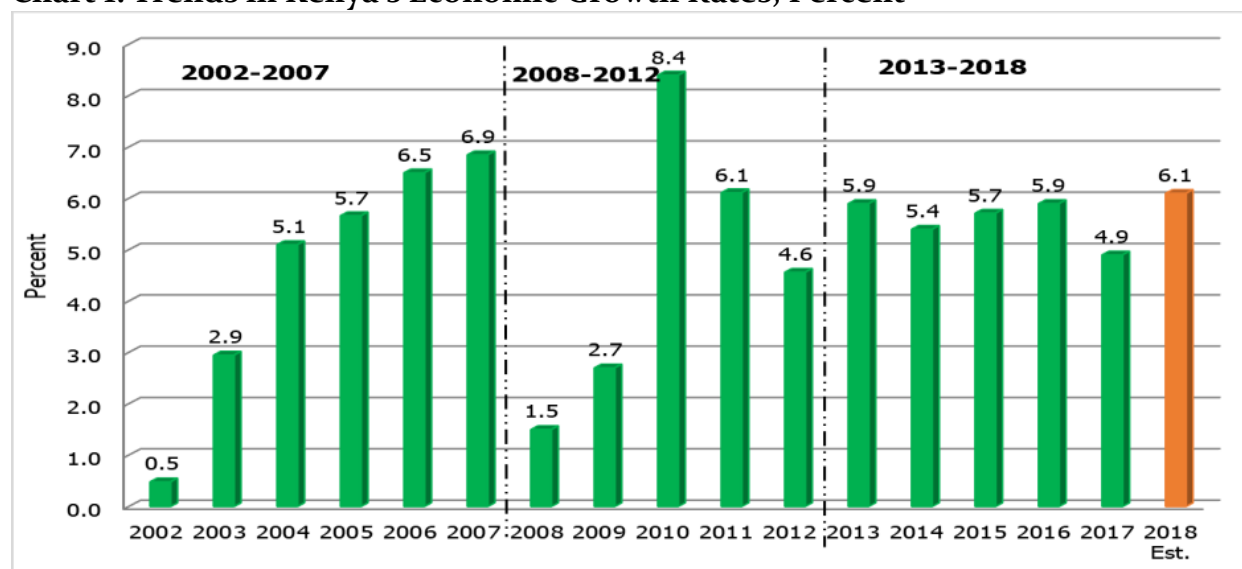
17. Growth prospects for sub-Saharan Africa continue to strengthen. Growth is expected to improve from 2.7 percent in 2017 to 3.1 percent in 2018 and further to 3.8 percent in 2019, supported by a stronger global growth, higher commodity prices, improved capital market access and contained fiscal imbalances in many countries. However, downside risks may arise from uncertainties in the run up to the 2019 general elections in South Africa.

18. Growth in the East African Community (EAC) region is estimated to rise to 5.9 percent in 2018 from 5.3 percent in 2017. This growth is driven by a rebound in agricultural activity on the backdrop of favourable weather conditions and a pickup in private sector credit growth. In 2019, economic growth is projected to increase to 6.3 percent supported by a stable macroeconomic environment, ongoing infrastructure investments, and strong private consumption.

Domestic Economic Developments

19. Kenya’s economic growth has remained strong and resilient even under emerging global challenges, supported by strong public and private sector investment and appropriate economic and financial policies. The broad-based economic growth has averaged 5.6 percent for the last five years outperforming the average growth rate of 4.7 percent in the period 2008 to 2012 and 4.6 percent in the period 2002 to 2007(Chart 1).

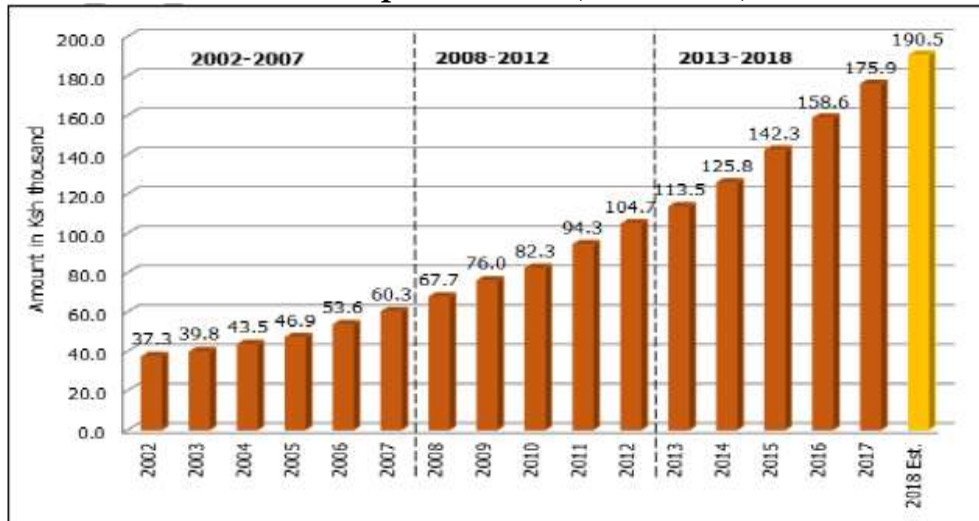
Chart 1: Trends in Kenya’s Economic Growth Rates, Percent



Source of Data: KNBS

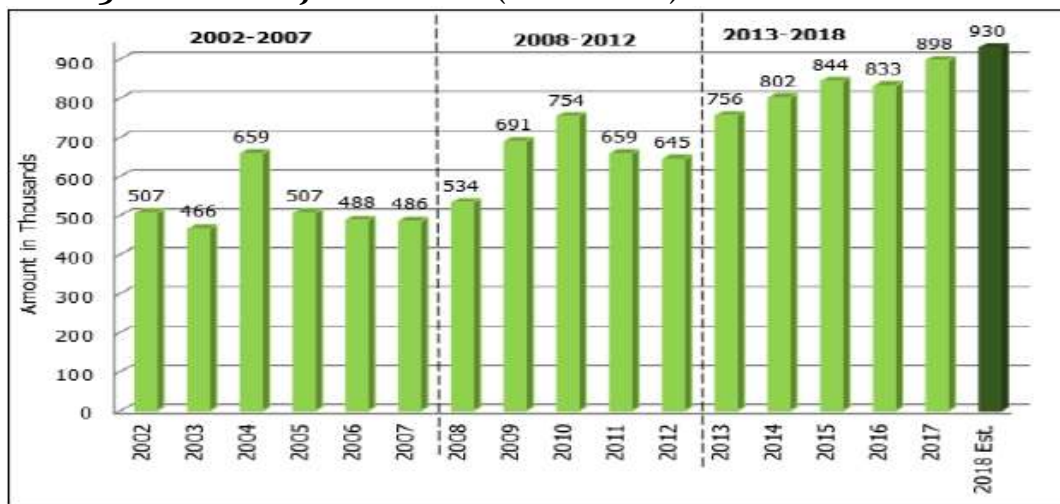
20. The value of goods and services produced raised Per Capita Income from Kshs 113,539 in 2013 to an estimated Kshs 190,521 in 2018, a 67.8 percent increase. This enabled generation of around 840,000 new jobs per year in the period 2013-2018 up from 656,500 new jobs per year in the period 2008-2012 (Chart 2 and 3)

Chart 2: Trends in Per Capita Income (2002 - 2018)



Source: KNBS

Chart 3: Number of Jobs created (2002 - 2018)



Source: KNBS

21. The rebound in economic activity in 2018 is a reflection of improved rains, better business sentiment and easing of political uncertainty. The economy grew by 6.0 percent in the third quarter of 2018 and 6.2 percent in the second quarter of 2018 up from 5.8 percent in the first quarter of 2018, averaging 6.0 percent in the first three quarters of

2018. Growth is projected at 6.0 percent in 2018 up from 4.9 percent in 2017, which is in line with the 2018 Budget Review and Outlook Paper (BROP) projection (Table 2).

Table 2: Sectoral Real GDP Growth Rates, Percent

	2013	2014	2015	2016	2017	2018Q1	2018Q2	2018Q3
Primary sector	5.0	4.8	5.6	4.9	1.8	5.3	5.3	5.4
Of which: Agriculture	5.4	4.4	5.3	4.7	1.6	5.3	5.4	5.2
Mining	-4.2	14.9	12.3	9.5	6.1	4.5	3.5	8.5
Industry	5.9	5.6	7.0	5.5	3.4	4.1	4.8	5.1
Of which: Manufacturing	5.6	2.5	3.6	2.7	0.2	2.3	3.1	3.2
Electricity and Water supply	6.6	6.1	8.5	8.3	5.6	5.1	8.6	8.5
Construction	6.1	13.1	13.8	9.8	8.6	7.2	6.1	6.8
Services	5.4	6.3	6.4	6.5	6.2	6.4	6.7	5.9
Of which: Wholesale and Retail trade	8.4	6.9	5.9	3.4	5.8	6.2	7.7	6.8
Accommodation and Restaurant	-4.6	-16.7	-1.3	13.3	14.7	13.5	15.7	16.0
Transport and Storage	1.3	5.5	8.0	7.8	7.4	7.1	7.8	5.4
Information and Communication	12.5	14.5	7.4	9.7	11.0	12.0	12.6	9.1
Financial and Insurance	8.2	8.3	9.4	6.7	3.1	2.6	2.3	2.6
Real estate	4.1	5.6	7.2	8.8	6.1	6.8	6.6	5.8
GDP Growth	5.9	5.4	5.7	5.9	4.9	5.8	6.2	6.0
Of which: Non agricultural GDP	5.4	6.1	6.4	6.4	5.9	6.0	6.3	5.8

Source: KNBS

22. In the third quarter of 2018, the economy grew by 6.0 percent compared to a growth of 4.7 percent in a similar quarter in 2017, mainly supported by improved weather conditions which led to increased agricultural production and agro processing activity in the manufacturing sector. In addition, this growth was supported by pickup in activities of accommodation and food services, electricity and water supply and construction sectors.

23. Agriculture sector recovered and recorded growth of 5.2 percent in the third quarter of 2018 compared to a growth of 3.7 percent in a similar quarter of 2017, supported by improved weather conditions. This enabled the agriculture sector to contribute 1.0 percentage points to GDP growth in the third quarter of 2018 compared to 0.7 percentage points in the same period in 2017. The current recovery in the agriculture sector is broad-based and reflected in the expansion of output of key food and cash crops such as tea, coffee and fruits.

24. The Non-agricultural sector (service and industry) remained vibrant and grew by 5.8 percent in the third quarter of 2018 up from a growth of 5.1 percent in a similar quarter in 2017. It has the largest percentage points to real GDP growth at 4.0 percentage points mainly supported by the service sector.

25. Services remained the main source of growth and expanded by 5.9 percent in the third quarter of 2018 compared to a growth of 5.6 percent in the same quarter in 2017. The service sector was supported by improved growth in accommodation and restaurant (16.0 percent), wholesale and retail trade (6.8 percent), transport and storage (5.4 percent) and financial and insurance (2.6 percent). Growth of activities in information and communication (9.1 percent) and real estate (5.8 percent) remained vibrant despite the slowdown relative to the same quarter in 2017.

26. Services contributed 3.1 percentage points to real GDP growth in the third quarter of 2018 largely supported by wholesale and retail trade (0.6 percentage points), Real Estate (0.5 percentage points) and Transport and storage (0.4 percentage points).

27. The performance of Industry improved to a growth of 5.1 percent in the third quarter of 2018 compared to a growth of 2.3 percent in the same quarter in 2017 following increased activities in the manufacturing, construction and electricity and water supply sectors. The recovery of the manufacturing sector was attributable to agro-processing activities that benefitted substantially from increased agricultural production.

28. Growth in the Electricity and Water supply remained vibrant driven by increased use of less input intensive sources of energy such as hydro generated electricity supported by sufficient rainfall and geothermal power generation coupled with a slowdown in growth of thermal generation.

29. The industry sector accounted for 0.9 percentage points to growth in the third quarter of 2018, largely driven by the construction and manufacturing sectors which contributed 0.4 percentage points and 0.3 percentage points, respectively.

Inflation Rate

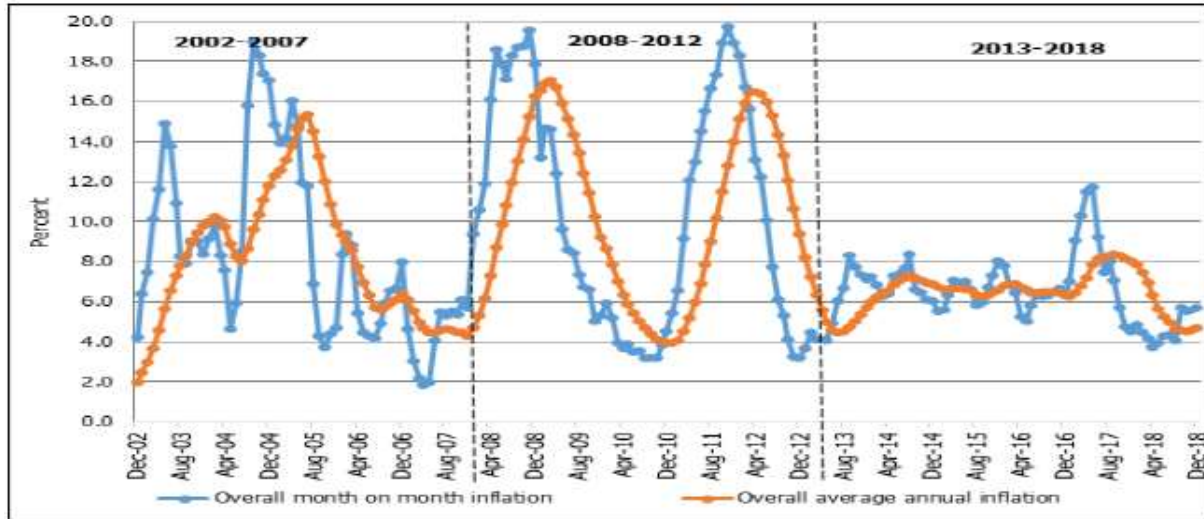
30. Inflation has been low, stable and within the Government target range of 5+/-2.5 percent in the period 2013 to 2018 (averaging 6.4 percent) as a result of prudent monetary and fiscal policies (Chart 4). The inflationary pressure witnessed in 2017 due to drought that affected food prices eased in 2018 supported by improved weather conditions that resulted in lower food prices.

31. Month-on-month overall inflation remained stable and within target at 5.7 percent in December 2018 from 5.6 percent in November 2018, owing to a decline in food prices particularly maize, onions and tomatoes following improved weather conditions and a decline in energy prices following lower costs in prices of electricity and diesel. However,

overall Inflation increased from 4.5 percent in December 2017 to 5.7 percent in December 2018 on account of an increase in international oil prices.

32. The county shall leverage on the favorable inflation rates to implement measures to stimulate investments in her productive sectors to support local revenue generation.

Chart 4: Inflation Rate



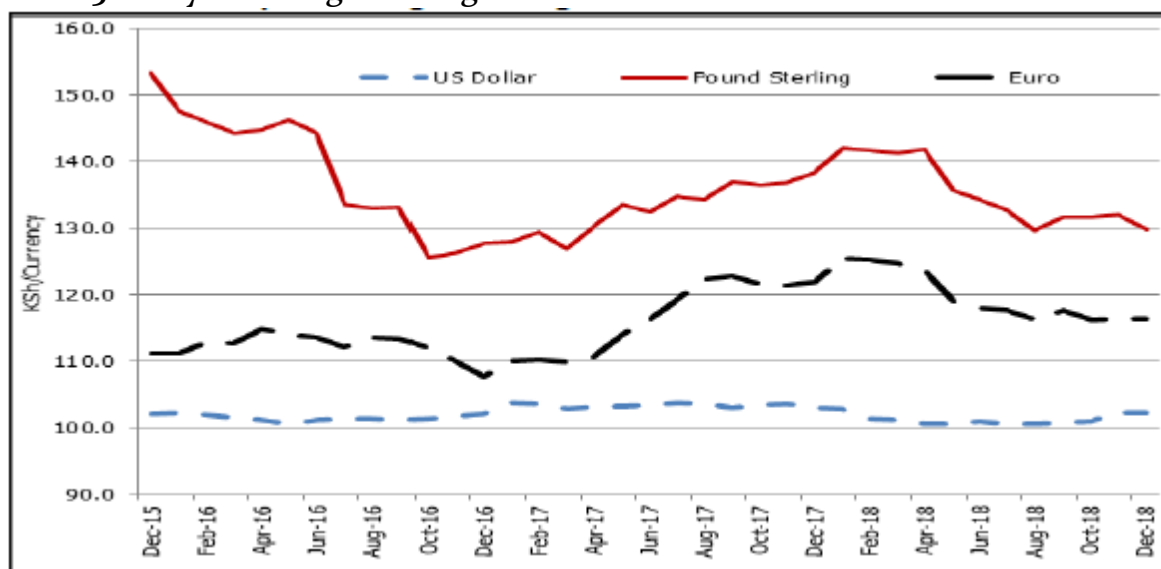
Source: KNBS

Kenya Shilling Exchange Rate

33. The Kenya Shilling exchange rate remained broadly stable and competitive against major international currencies. Against the dollar, the exchange rate has been relatively less volatile exchanging at Kshs 102.3 in December 2018 from Kshs 103.1 in December 2017. Against the Euro and the Sterling pound, the Shilling also strengthened to Kshs 116.4 and Kshs 129.7 in December 2018 from Kshs 122.0 and Kshs 138.2 in December 2017, respectively (Chart 5).

34. The County shall take advantage of the stable exchange rate to put in place favourable legal framework to attract both domestic and international investments.

Chart 5: Kenya Shilling Exchange Rate



Source: KNBS

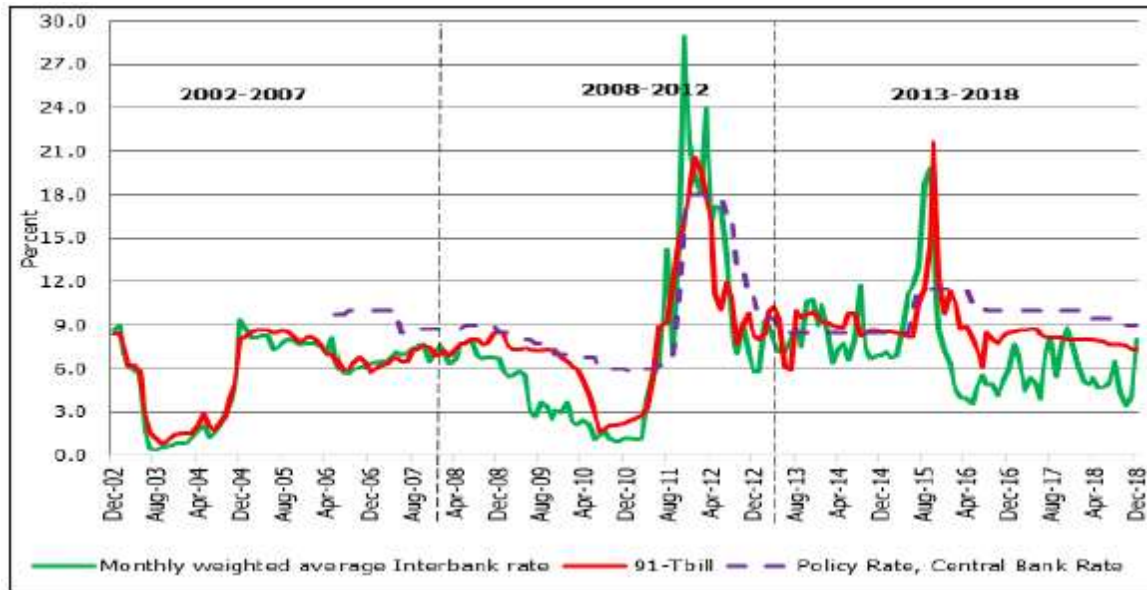
Interest Rates

35. Interest rates have been low and stable for the period 2002 to 2011 due to ample liquidity in the money market. However, interest rates increased in 2012 following tight monetary policy stance in order to ease inflationary pressures. Interest rates remained stable and low in the period 2013-2018 except June – December 2015 when world currencies were under pressure. During the period, the policy rate (Central Bank Rate) was adjusted appropriately to anchor inflation expectations (Chart 6). The Central Bank Rate was reduced to 9.0 percent on 30th July 2018 from 9.5 percent in March 2018 as there was room for easing monetary policy stance to support economic activity.

36. The interbank rate remained low at 8.1 percent in December 2018 from 7.7 percent in December 2017 due to ample liquidity in the money market. The interest rates for Government securities have been declining indicating that the implementation of Government domestic borrowing program supported market stability. The 91-day Treasury bill rate declined to 7.3 percent in December 2018 compared to 8.0 percent in December 2017 while over the same period, the 182 day and the 364-day Treasury bills declined to 8.4 percent and 9.7 percent from 10.5 percent and 11.1 percent, respectively.

37. The County through the Medium Term Debt Management Strategy Paper, assess the possibilities of seeking out low interest credit facilities to finance her capital projects. In addition with advice from the National Treasury, the County shall explore possibilities of going for low interest concessional loans to finance her development Agenda.

Chart 6: Short-Term Interest Rates



Source: CBK

38. Commercial banks’ average interest rates remained stable and compliant with the interest rate capping law that was effected in September 2016. The CBR was reduced to 9.0 percent from 9.5 percent in March 2018 and as a result the lending rate declined to 12.6 percent in October 2018 compared to 13.7 percent in October 2017. The deposit rate also declined to 7.6 percent from 8.2 percent over the same period. Consequently, the interest spread declined from 5.9 percent in October 2017 to 5.0 percent in October 2018.

39. In the medium term, the county shall assess the opportunities provided by the low interest rate regime to seek out for credit facilities to finance development needs subject to the County Medium Term Debt Management Strategy Paper 2019/20 – 2021/22.

Overview of County Sectoral Performance

40. Over the years, the County has continued to build on the initial gains attained by the various sectors. Improvements have been necessitated through programme and project reviews to improve our development programming and budgeting. The focus of improvements have been on strengthening our policy, strategy and compliance environment in order to produce the desired outputs and outcomes as detailed in the foregoing analysis.

Agriculture

41. Sustained investment in Agricultural intensification and modernization programmes has resulted in desirable outcomes which include; increased productivity per acre (for

both crops and livestock), reduced incidences of food insecurity, increased incomes for farming communities and a remarkable decrease in farm input costs per acre. Going forward, the County will implement some components of the National Government “Big Four Agenda” on Food security and improved nutrition.

Education

42. Investments in improving the ECDE and VTC infrastructure has over the years led to an increase in enrolment in vocational training centers translating to more youths acquiring skills for empowered and productive lives. Enrolment of children in ECDE also increased leading to a higher transition rate to primary schools.

Health

43. The Health sector through support from the national government and development partners has invested to strengthen the health service delivery systems, culminating in enhanced accessibility, availability and capacity of health services. In addition, a strong foundation has been laid to support more productive lives and low costs for medical services, as well as a reduction in average distance to nearest health facility.

Transport Infrastructure

44. Through the Road Maintenance fuel Levy Fund (RMLF) and the County Mechanical Transport Fund programme, urban and rural access roads have been opened and expanded, resulting in reduction in transport costs, increase in volume of trade and a reduction in average travel times. In addition, the County has awarded the tender for the conversion of high traffic section of C-33 Mumias-Bungoma road into a dual carriageway between Sang’alo Junction and Kanduyi. This investment promises to unlock vast economic social and economic opportunities along the corridor and spur the urban renewal of Bungoma.

Trade and Industry

45. The sector holds the key to addressing poverty and generating wealth and jobs for the county population. Over the last five years, the county has invested in improving the business environment by implementing structured taxes, automating revenue systems and providing accessible e-platform services.

Housing

46. Over the last three years, the sector renovated more than 48 county houses, completed the construction of eight two bedroom storey units and formulated housing policy to inform decisions on investment and private sector involvement. The efforts and others including the implementation of the National Government Big Four Agenda on housing will progressively lead to the attainment of outcomes such as lower construction costs, effective utilization of public land, affordable home buyer financing and innovative developer financing using PPP models and approaches such as land swaps.

Sanitation

47. By improving access to decent sanitation facilities in public places, the County has progressively recorded reduced incidences of diarrhea, reduced female psychosocial stress, improved maternal and newborn health, improved menstrual hygiene, improved school attendance and reduced inequalities and discrimination especially for vulnerable populations

Forestry

48. The county has implemented afforestation and re-afforestation programmes, especially in Mt.Elgon to enhance the forest cover and protect water sources. The County will continue implementing measures to encourage communities to plant trees. Forest eco-systems benefit the community by providing services such as pollination, absorption of CO₂ and Nutrient formation. Other benefits include; serving as partial recycler of waste from the environment, being a source of recreation, beauty, spiritual and cultural values.

Water

49. Investments in gravity fed systems through support of the Korea Embassy has greatly reduced the distance taken to fetch water for domestic and agricultural use. The momentum to provide access to safe drinking water, water resource conservation, preservation and sustainable utilization will be sustained and scaled up.

Gender

50. The county has embraced gender based planning and budgeting to ensure that our programmes respond to the needs of Men and Women, Boys and Girls. The County has implemented policies and regulations to curb gender inequality and empowerment of vulnerable groups. Some progress has been made especially on issues of women representation in political and decision making organs. Key policies in place include BUCOWEF, BUCOYEF, BUCODEF. The county still has visual gaps between men and women across key areas of Health, Education, Economics and politics. It's on this basis

that investments targeting gender parity will be enhanced to uplift the positions and conditions of both men and women.

Culture

51. Measures have been undertaken to preserve and promote our culture including traditional artefacts and creative industries. The diversity and breath of our cosmopolitan communities allows individuals and organized groups to explore opportunities in the culture and art sector to bring about unique contributions to the county economic growth. The county department of Gender and Culture has been charged with delivering of Article 11 of the Constitution that recognizes that creativity, creative enterprises and cultural industries are strategic drivers for human development as well as foundation of communal recognition. The County will continue investing strategically to harness local talents, monetize creativity and accelerate innovation with inputs from the Culture and Arts stakeholders.

52. Overall, economic forecasts for Kenya including a long-term outlook for the next decades, plus medium-term expectations for the next four quarters and short-term market predictions show resilience of the economy.

Fiscal Performance

53. Budget execution started on a slow note in the first quarter of the FY 2018/19 due to budget rationalization to align expenditure priorities to revenues after amendments undertaken in the 1st Supplementary estimates that significantly lowered the expected revenue yields. In addition, expenditure rationalization was effected to reflect lower revenues after the revenue outcome for the FY 2017/18 turned out weaker than anticipated, thereby shrinking the forecasting base for FY 2018/19 as well as the medium term.

54. The exercise to clean-up the development project portfolio triggered by the Presidential directive on inclusion of new projects in the budget also slowed down the uptake of development expenditures in the first quarter. This picked up strongly in the second quarter of FY 2018/19.

55. The expenditure rationalization was to ensure sustainable fiscal position in the FY 2018/19 and the medium term, and reaffirm the County Government's commitment to its fiscal consolidation plan and to prudent fiscal management in general.

Recurrent Expenditure

56. 42.06% of the recurrent allocation of Kshs 8,062,677,490 has been expended on personnel emoluments, maintenance and operations as at the end of quarter two of FY 2018/19. Table 3 Provides details of recurrent appropriation Statement.

Table 3 : Recurrent appropriation Statement

Receipt/Expense Item	Budget Q2 2018	Actual Q2 2018	Budget utilization difference	Budget cumulative to date	Actual cumulative to date	Budget utilization difference	Percentage budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%
RECEIPTS							
Exchequer releases	1,581,666,319	1,916,220,383	(334,554,064)	3,163,332,638	2,363,670,383	799,662,255	25%
Proceeds from Domestic and Foreign Grants	67,920,648	99,949,562	(32,028,914)	135,841,297	99,949,562	35,891,735	26%
Transfers from Other Government Entities	58,209,327		58,209,327	116,418,654	-	116,418,654	100%
County Own Generated Receipts	275,250,000	121,089,363	154,160,637	550,500,001	230,430,695	320,069,306	58%
Returned CRF issues	30,123,079	-	30,123,079	60,246,157	1,043,241	59,202,916	98%
TOTAL	2,013,169,373	2,137,259,308	(124,089,936)	4,026,338,745	2,695,093,881	1,331,244,865	33%
PAYMENTS							
Compensation of Employees	1,081,653,683	1,124,615,133	(42,961,449)	2,163,307,367	2,187,496,625	(24,189,259)	-1%
Use of goods and services	468,157,623	425,118,723	43,038,901	936,315,247	557,736,975	378,578,272	40%
Transfers to Other Government Units	218,744,533	281,166,873	(62,422,340)	437,489,066	458,526,399	(21,037,334)	-5%
Other grants and transfers	172,694,379	16,930,750	155,763,629	345,388,757	66,930,750	278,458,007	81%
Social Security Benefits	4,841,574	7,425,339	(2,583,765)	9,683,148	7,425,339	2,257,809	23%
Acquisition of Assets	37,024,875	57,872,666	(20,847,791)	74,049,750	60,642,200	13,407,550	18%
Other Payments	30,052,706	52,328,487	(22,275,782)	60,105,412	52,328,487	7,776,925	13%
TOTAL	2,013,169,372	1,965,457,970	47,711,402	4,026,338,745	3,391,086,775	635,251,970	16%

Source: County Treasury FY 2018/19

57. Analysis from table 3 shows that Compensation to employees had consumed the largest share of the current allocation with the balance going to operations and maintenance.

Development Expenditure

58. At the end of quarter two of FY 2018/19, 10.88% of development allocation of Kshs 4,956,844,290 had been expended on development programmes with highest absorbing sector being roads. Table 4 provides details of first half development expenditure for FY 2018/19

Table 4: Development appropriation Statement

Receipt/Expense Item	Budget Q2 2018	Actual Q2 2018	Budget utilization difference	Budget cumulative to date	Actual cumulative to date	Budget utilization difference	Percentage budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	%
RECEIPTS							
Exchequer releases	655,583,681	410,519,617	245,064,064	1,311,167,362	410,519,617	900,647,745	69%
Proceeds from Domestic and Foreign Grants	181,076,062	300,977,100	(119,901,038)	362,152,124	400,977,045	(38,824,921)	-11%
Transfers from Other Government Entities	118,687,201	-	118,687,201	237,374,403	-	237,374,403	100%
County Own Generated Receipts	-	-	-	-	-	-	0%
Returned CRF issues	283,864,128	-	283,864,128	567,728,256	-	567,728,256	100%
TOTAL	1,239,211,072	711,496,717	527,714,355	2,478,422,145	811,496,662	1,666,925,483	67%
PAYMENTS							
Use of goods and services	1,250,000	-	1,250,000	2,500,000	-	2,500,000	100%
Transfers to Other Government Units	64,127,001	33,561,937	30,565,064	128,254,002	56,627,809	71,626,193	56%
Other grants and transfers	244,158,698	131,050,627	113,108,071	488,317,397	144,399,677	343,917,719	70%
Social Security Benefits	-	-	-	-	-	-	0%
Acquisition of Assets	825,277,589	173,320,436	651,957,153	1,650,555,179	223,603,133	1,426,952,045	86%
Finance Costs, including Loan Interest	-	-	-	-	-	-	0%
Repayment of principal on Domestic and Foreign borrowing	-	-	-	-	-	-	0%
Other Payments	104,397,784	114,556,118	(10,158,334)	208,795,568	114,556,118	94,239,450	45%
TOTAL	1,239,211,073	452,489,118	786,721,955	2,478,422,145	539,186,737	1,939,235,408	78%

Source: County Treasury

Revenue Performance

59. Despite on-going reforms in tax policy and revenue administration, the County has continued experiencing decline in local revenue generation acerbated by decline in economic forecasts and shrinking of productive sectors such as agriculture and trade. Table 5 shows the actual and medium Term Revenue Performance and Projections.

Table 5: Actual and Medium Term Revenue Projections

FY	ACTUALS			PROJECTIONS			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
ACTUAL RECEIPTS	(Kshs)	(Kshs)	(Kshs)	(Kshs)	(Kshs)	(Kshs)	(Kshs)
Land rates	36,705,196	28,303,902	20,103,340	109,668,733	50,000,000	52,500,000	55,125,000
Single Business Permit	68,604,520	60,802,205	67,292,772	116,488,302	93,908,828	98,604,269	103,534,483
Cess	33,170,179	46,370,769	17,001,811	90,666,558	48,000,000	50,400,000	52,920,000
Markets and slaughter house fees	41,720,959	38,976,927	35,776,644	80,598,151	51,584,501	54,163,726	56,871,912
Bus park and street Parking fees	60,001,071	47,990,547	47,131,901	87,015,317	84,809,344	89,049,811	93,502,302
Other Revenue sources	71,747,287	82,090,926	106,723,239	218,836,182	171,697,327	180,282,193	189,296,303
Sale of fertilizers	-	-	-	41,894,802	-	-	-
Total -Local Revenue	311,949,213	304,535,276	294,029,707	745,168,045	500,000,000	525,000,000	551,250,000
AIA	319,039,273	357,052,873	325,365,923	355,831,956	378,547,351	397,474,719	417,348,454
GRAND TOTAL	630,988,486	661,588,149	619,395,630	1,101,000,001	878,547,351	922,474,718	968,598,454

Source: County Treasury

60. The own source revenue target for FY 2018/19 is Kshs. 1,101,000,000, comprising of ksh.745, 168,045 as local revenue and ksh.355,831,955 as AIA. Current revenue performance trend indicates that the set target is unattainable due to decline in collection from high yielding sources such as market fees, land rates and cess.

61. Analysis from table 6 shows the risk to the budget for FY 2018/19, with a proposed reduction of Kshs. 353,814,191 in local revenue that must be shared across all county department and agencies in the 2nd supplementary budget estimates.

Table 6: Departmental contributions to Local Revenue Reduction

Department	MDAs 353 M Contribution
Agriculture, livestock, fisheries and co-op development	39,324,335.00
Tourism, Forestry, environment Water and natural resource	2,257,236.00
Water	8,005,593.00
Roads and Public works	62,088,554.00
Education	2,823,718.00
Health	6,151,997.00
Sanitation	1,446,047.00
Trade, energy and industrialization	16,544,121.00
Lands, Urban and Physical Planning	6,607,905.00
Housing	1,179,956.00
Gender, Culture,	19,503,460.00
County Assembly	25,405,651.00
Finance and Planning	568,098.00
County Public Service	-
Governors	-
D/Governor's office	-
Public Administration	7,091,400.00
Sub County Administration	-
County Secretary	3,278,366.00
Ward Based Projects	151,537,754.00
TOTALS	353,814,191.00

Source: County Treasury 2019

62. Analysis from table 7 shows the projected local revenue for FY 18/19 to be kshs.391, 353,854, a significant drop of Kshs 353,814,191 representing a decline of 45.5 percent from the unrealistic projection of Kshs. 745,168,045.

Table 7: Actual revenue collections and realistic projections for FY 2018/19

REVENUE TYPE	FIRST HALF COLLECTION (A)	COLLECTION FOR JAN 2019 (B)	PROJECTIONS FOR FEB TO JUNE, 2019 C	EXPECTED COLLECTION FOR 2018/19(A+B+C)
Land Rates	2,922,741	1,866,554	10,000,000	14,789,295
Alcoholic Drinks Licenses	619,700	565,000	5,000,000	6,184,700
Single Business Permits	7,613,133	8,539,150	111,800,000	127,952,283
Application Fees	1,085,000	533,000	1,740,000	3,358,000
Renewal fees	1,634,750	845,190	8,000,000	10,479,940
Cheque Clearance Fees				-
Conservancy Fees	925,735	1,075,450	8,700,000	10,701,185
Fire Fighting	2,217,405	1,750,500	14,200,000	18,167,905
Advertisement Fees	2,186,570	1,867,150	25,500,000	29,553,720
Food Hygiene Licenses	530,590	461,300	3,500,000	4,491,890
Water Sampling		-		-
Change of User Fees	20,000	6,275	184,000	210,275
Car Parking Fees	3,640,220	1,734,540	5,000,000	10,374,760
Bodaboda Parking Fees		313,000	4,500,000	4,813,000
Burial Fees	46,500	1,500		48,000
House Rent	2,760,300	430,000	2,400,000	5,590,300
Stadium Hire	68,000		400,000	468,000
Miscellaneous Income	110,330	100,000	200,000	410,330
Plan Approval	5,250,970	931,824	6,000,000	12,182,794
Inspection Fee	1,138,250	162,280	1,500,000	2,800,530
Occupational Permits	52,700		500,000	552,700
Ground Fees	139,215	34,922	470,000	644,137
Market Fees	16,779,530	2,455,000	12,500,000	31,734,530
Enclosed Bus Park Fee	26,674,200	4,853,640	20,000,000	51,527,840
Slaughter house Fees	2,348,710	416,910	2,000,000	4,765,620
Plot Transfer	84,000		200,000	284,000
Change of Business Name	16,000	11,200	50,000	77,200
Registration of Women Group	-		-	-
Impound Charges	127,210	28,000	1,500,000	1,655,210
Cess	8,185,522	1,099,493	5,000,000	14,285,015
Other Property			-	-

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REVENUE TYPE	FIRST HALF COLLECTION (A)	COLLECTION FOR JAN 2019 (B)	PROJECTIONS FOR FEB TO JUNE, 2019 C	EXPECTED COLLECTION FOR 2018/19(A+B+C)
Tender Document Sale			-	-
Sand Harvest Fee	3,430		-	3,430
Market Stalls Rent	1,088,850	111,000	1,500,000	2,699,850
Stock Sales	4,696,100	888,330	7,500,000	13,084,430
Other Revenue sources	3,538,474	131,171	3,500,000	7,169,645
2. Sale of TCB KCB				-
3. Mechanization Centre 25%				-
4. Sale of Fertilizer	-			-
- Top Dressing				-
- Sale Fertilizer				-
Salary Recovery	146,670		146,670	293,340
TOTAL	96,650,805	31,212,379	263,490,670	391,353,854

63. A performance of Kshs. 619,395,630 was reported for the financial year 2017/18, indicating that 71.56 percent of the annual revenue target of ksh.865,554,993 was achieved.

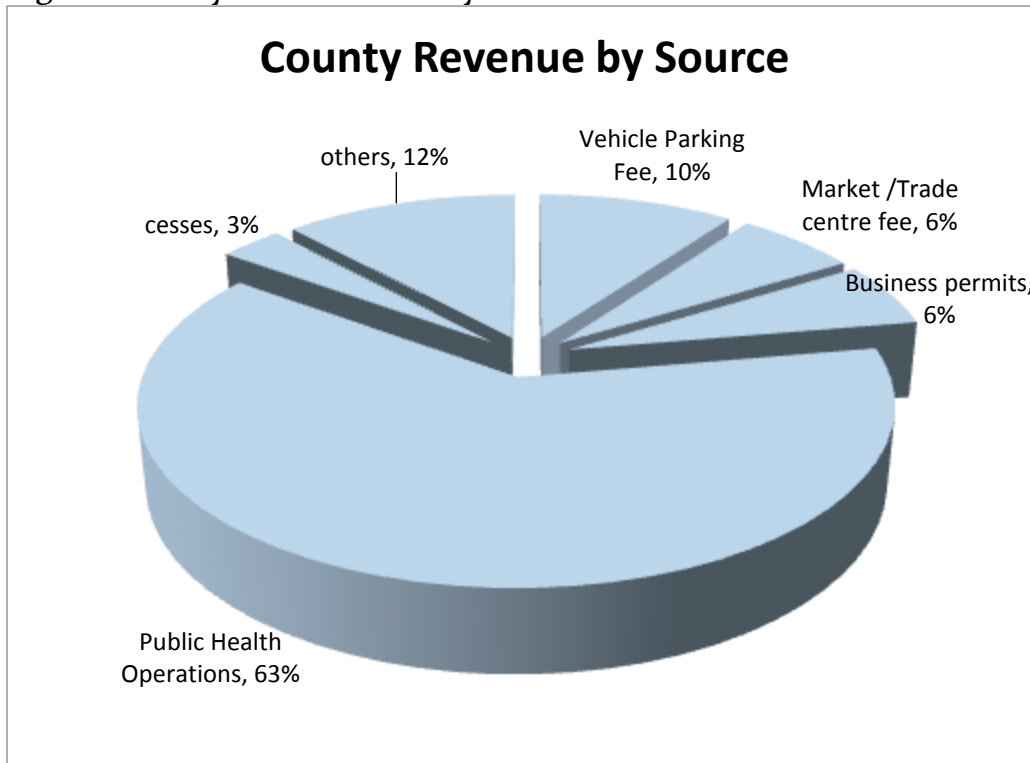
64. Cumulative revenue realized for the 1st half of FY 2018/19 was Kshs. 230,430,696. Local revenue comprised 38.2% while AIA 61.8%. The revised target for local revenue for FY 2018/19 is Kshs. 391,353,854 which is lower than the target of Kshs. 499,668,163 for FY 2017/18. Table 8 shows the own source revenue performance for 1st half of FY 2017/18 and FY 2018/19.

Table 8: Cumulative revenue performance for 1st half FY 2018/19

Revenue Type	2018/19 (as at 31 st December) A	2017/18 (as at 31 st December) B	2016/17 (as at 31 st December) C	Variance (A-B)	Variance (A-C)
Local revenue	88,532,818	74,688,728	116,681,239	21,962,077	(20,030,434)
AIA	141,897,878	149,835,572	91,452,654	4,397,926	62,780,844
Total	230,430,696	224,524,300	208,133,893	26,360,003	42,750,410

65. An analysis of revenue sources points to a general growth in collection from Single Business permits, Plan Approval and Inspection fees, Slaughter fees and stock auction fees. Enclosed bus park fees (PSV stickers) registered an impressive performance improving by 91 percent compared to 2017/18. Figure 1 details the revenue performance by sources.

Figure 1: Analysis of revenue by sources



66. Analysis from figure 1 indicates that the highest contribution to total revenue yield was from Public Health Facilities Operations (AIA) of Kshs. 144,169,539 representing 63% of the total revenue collected.

Expenditure Performance

67. Total expenditure for the period July-December 2018 amounted to Kshs 3,930,273,512 representing 30.21% of total expenditure for FY 2018/19 (Recurrent - 86.3% and Dev - 13.7%).

68. The expenditure target for 1st half FY 2018/19 was Kshs. 6,504,760,890 representing 50% of the total budget. Actual expenditure for 1st half of FY 2018/19 was Kshs. 3,930,273,512 (representing a deviation of 40%). Table 9 contains details of the fiscal performance for the 1st half of FY 2017/18 and FY 2018/19.

Table 9: Fiscal Performance

Revenue by Source	2017/18		2018/19 1 st Half(July 2018 – December 2018)			1 st Half	1 st half deviation
	Projected	Actual Collected/ Received	Revised Estimates.	Actual Collected/paid (Q1)	Deviation (Q1)		
TOTAL REVENUE	11,229,708,340	9,871,686,183	13,009,521,780	657,834,517	2,594,545,298	3,506,590,543	2,999,163,590
Bal B/F	775,444,282		1,656,461,078		(563,180,886)	13,460,745	164,232,686
Equitable Share	8,758,000,000	8,758,000,000	8,949,000,000	447,450,000	1,789,800,000	2,774,190,000	1,700,310,000
Ordinary revenue	499,668,163	312,478,185	745,168,045	38,952,533	147,339,478	88,532,818	284,051,205
Ministerial and Departmental fees	365,886,830	232,747,855	355,831,956	71,432,039	17,525,950	141,897,878	36,018,100
Grants from National Government							
Conditional Grant: Health- leasing of medical equipment	95,744,681		200,000,000	0	200,000,000	0	200,000,000
Conditional Grant: Education	76,276,625	76,276,625	65,500,000	0	65,500,000	0	65,500,000
Sirisia hospital grant		0	99,999,945	99,999,945	0	99,999,945	0
Conditional Grant: Roads Dpt:(Fuel Levy Fund)	327,025,699	268,856,143	235,619,376	0	235,619,376	0	235,619,376
Other Conditional Grants (user fee foregone)	32,837,307	33,282,912	32,837,307	0	32,837,307	0	32,837,307
Other Conditional Grants: Health-universal health	160,000,000	50,609,855	100,000,000	0	100,000,000	0	100,000,000
Other Conditional Grants: Agriculture	50,000,000	50,609,855	140,435,163	0	140,435,163	0	140,435,163
Other Conditional Grants: Finance	54,474,504	54,474,504	58,329,310	0	58,329,310	58,169,557	159,753
Urban Support programme(capacity building)	0	0	40,000,000	0	40,000,000	0	40,000,000
Urban Support	0	0	300,977,100	0	300,977,100	300,977,100	0

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Revenue by Source	2017/18		2018/19 1 st Half(July 2018 – December 2018)			1 st Half	1 st half deviation
	Projected	Actual Collected/ Received	Revised Estimates.	Actual Collected/paid (Q1)	Deviation (Q1)		
programme(Development)							
DANIDA	34,350,249	34,350,249	29,362,500	0	29,362,500	29,362,500	0
TOTAL EXPENDITURE							
Recurrent expenditure	7,746,659,102	7,464,410,420	8,052,677,490	1,399,897,335	6,652,780,155	3,391,086,775	4,661,590,715
Development Expenditure	3,483,049,238	1,310,214,002	4,956,844,290	162,974,244	4,793,870,046	539,186,737	4,417,657,553
Balance/Deficit		2,455,083,912		1,562,871,579		(423,682,969)	

Source: IFMIS printout data

Fiscal Policy

69. Going forward into the medium term, the County Government will continue in its fiscal consolidation path with the overall fiscal deficit being maintained broadly at the levels outlined in the CFSP 2018. This together with budget rationalization initiatives to reduce expenditure on recurrent while expanding development expenditure will put the county on a stable trajectory for sustainable development.

70. To achieve these targets, the Government will continue to restrict growth in recurrent spending while doubling its effort in domestic resource mobilization. In the FY 2018/19, the Government implemented a raft of tax policy measures in through the tax amendment law and the Finance Act 2018 whose revenue yield is estimated at about 4 percent of the total County budget for FY 2019/20. In addition, the expected completion and approval of the valuation roll and the Tax administrative laws currently undergoing legal drafting, will also ease administrative bottlenecks, improve compliance and boost revenue collection, thereby supporting our fiscal consolidation efforts.

71. Further, the establishment of County Service Delivery Unit (SDU) will enhance efficiency in identification and implementation of priority social and investment projects. This takes into account the County's efforts to increase efficiency, effectiveness, transparency, and accountability of public spending.

72. In particular, the implementation of Public Investment Management (PIM) regulations under the Public Finance Act will streamline the initiation, execution and delivery of public investment projects. It will also curtail runaway projects costs, eliminate duplications and improve working synergy among implementation actors for timely delivery of development projects.

73. To mobilize revenues, the County has put in place revenue enhancement measures to boost performance and cushion against further revenue shortfalls by strengthening tax administration and compliance through:

- i. Gazettment of the Finance Act, 2018 as a legal framework for imposition of fees and charges for 2019.
- ii. Aggressive supervision at all revenue collection points
- iii. Introduction of motorbike stickers following the enactment of the Finance Act, 2018.
- iv. Cascading targets to Sub-county Revenue officers, Ward Revenue Officer, Supervisors and ultimately to individual revenue collectors. The same have been adjusted based on trending to be as realistic as possible.
- v. Weekly meetings with revenue staff both at the sub-counties and headquarter to keep track on the targets.

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- vi. A list of property rates defaulters has been prepared to pursue litigation.
- vii. Stakeholder meetings targeting market management committees and boda boda to sensitize them on need to comply with remittance of taxes.
- viii. Continuous notification on media and via SMS platform to encourage clients to comply in time.
- ix. First wave of Rapid Results Initiative scheduled for April to June, 2019.

Table 10: Fiscal Framework

	FY 2017/18	2018/19			Projection				
		Budget	Revised	CFSP	Deviation	2019/20	2020/21	2021/22	2022/23
Total Own source Revenue	865,554,993	1,101,000,000	1,101,000,001	908,832,743	(192,167,258)	1,156,050,001	1,213,852,501	1,274,545,126	1,338,272,382
Local Revenue	499,668,163	600,299,331	745,168,045	524,651,571	(220,516,474)	782,426,447	821,547,770	862,625,158	905,756,416
AIA	365,886,830	500,700,669	355,831,956	384,181,172	28,349,216	373,623,554	392,304,731	411,919,968	432,515,966
Total Expenditure	11,229,708,339	11,253,060,757	13,009,521,780	11,638,677,261	(1,370,844,519)	13,099,733,412	13,754,720,083	14,442,456,087	15,164,578,891
Recurrent	7,746,659,102	7,857,651,030	8,052,677,490	7,844,128,918	(208,548,572)	8,358,743,107	8,776,680,262	9,215,514,275	9,676,289,989
Development	3,483,049,238	3,395,409,727	4,956,844,290	3,794,548,343	(1,162,295,947)	4,740,990,305	4,978,039,820	5,226,941,811	5,488,288,902
Transfers	1,022,505,808	1,203,060,756	1,703,572,953	872,244,518	(831,328,435)	1,788,751,600	1,878,189,180	1,972,098,639	2,070,703,571
Contingency Fund	100,000,000	100,000,000	100,000,000	100,000,000	0	105,000,000	110,250,000	115,762,500	121,550,625

Economic Outlook

74. Kenya's economic growth prospects for the FY 2019/20 and over the medium term takes into account the global and sub-Saharan Africa growth prospects, the emerging global challenges and the domestic risks. The projections accommodates the strategic objectives of the Government as outlined in the Third Medium Term Plan (2018-2022) of Vision 2030.

75. Real GDP is projected to expand by 6.1 percent in FY 2018/2019, 6.2 percent in FY 2019/2020, 6.4 percent in FY 2020/21 and 7.0 percent by FY 2022/23. This growth will be supported by a pickup in agricultural and manufacturing activities underpinned by improved weather conditions, strong service sector, stable macroeconomic environment, ongoing public infrastructural investments and sustained business and consumer confidence.

76. The outlook, therefore points to a continued coordination of monetary and fiscal policies for overall macroeconomic stability which will support robust growth, lower fiscal deficits, contain inflation within the target range and a gradual improvement in the current account balance.

77. In addition, measures being undertaken by the Government under "The Big Four" Plan to boost the manufacturing sector; enhance food security and nutrition; build affordable housing; and achieve Universal Health Coverage are expected to enhance growth, create jobs and promote inclusive growth.

78. Inflation is currently within the Government's target range largely due to lower food prices and muted demand-driven inflationary pressures. It is expected to remain within target in the medium term mainly due to expected lower food prices reflecting favorable weather conditions, the decline in international oil prices, and the recent downward revision in electricity tariffs. The recent excise tax adjustment on voice calls and internet services is expected to have a marginal impact on inflation. Interest rates are expected to remain low and stable over the medium term supported by improved liquidity conditions, and the proposed fiscal consolidation.

79. The Government policies aims at supporting the fiscal consolidation agenda which will bolster debt sustainability position and give flexibility for counter cyclical fiscal policy interventions whenever appropriate. The programme targets to achieve a fiscal deficit including grants of 3.0 percent of GDP by FY 2022/23 down from the projected 6.3 percent of GDP in FY 2018/19. This is in line with the EAC convergence ceiling of 3.0 percent of GDP.

80. The County Government of Bungoma shall leverage on the stable national economy to forge strategic partnerships with national government and development partners to accelerate the implementation of its flagship projects namely; Masinde Muliro Stadium, Chwele Agro-Processing Business Park, Webuye Industrial Park, Dairy Processing Plant and the Dualing of 6.5 km of C-33 Mumias-Bungoma road (From Sang'alo Junction to Kanduyi). Implementation of these projects are expected to create wealth and jobs for the county labour force, transform the image of the county and enhance our attractiveness as an investment destination.

Debt policy

81. In order to address the projected budget deficit, the County Treasury has prepared the County Medium Term Debt Strategy (CMDs) with the aim of;

- i. Supporting the County government's strategy in implementing the FY2019/20 budget and over the medium term by ensuring that the government's financial requirement and payment obligations are met at the lowest cost with prudent degree of risk in line with PFM Act, 2012.
- ii. Underscoring the County Government's commitment to developing and designing a strategy that is evidence based and feasible in ensuring that public debt levels remains sustainable and supports broad-based and inclusive growth.
- iii. Serving as a strategy of financing the fiscal deficit of the County Government over the medium term

Risks to the Economic Outlook

82. This macroeconomic outlook is not without risks. Risks from the global economies relates to: (i) Trade tensions among major advanced economies regarding imposition of tariffs on selected imports by the United States from its main trading partners particularly China, and likely retaliatory measures; (ii) The prolonged uncertainty regarding Brexit negotiations and financial market volatility resulting from uncoordinated and abrupt monetary policy normalization; and (iii) Noneconomic factors such as political uncertainties and geopolitics in the Middle East and some countries in the sub-Saharan Africa region.

83. Domestically, the economy will continue to be exposed to risks arising from adverse weather conditions until the mitigating measures of food security under "The Big Four" Plan are put in place. Additional risks could emanate from public expenditure pressures especially recurrent expenditures.

84. Implementation of CBA for health workers, price volatility for agricultural inputs and enlarging county wage bill are likely to constrain expenditure targets. Further,

revenue performance which performed extremely below target in the FY 2017/18 may not increase as quickly to cover the anticipated expenditure increments.

85. In addition, the high expectations from the public for quick fix results will not make the implementation environment any better for the County Government. All identified risks will be monitored and appropriate measures undertaken to safeguard macroeconomic stability.

Administration

Objective	Risk	Mitigation
Effective Financial Management and Governance.	Expenditure exceeding the allocated budget.	Monthly expenditure reports and compliance assurance audits are prepared and sent to the Chief Officer.
Effective Resource Management	Lack of alignment between ICT systems and the business requirements of the department	Conduct training on awareness on existing and new policies and align programs and their ICT requirements.
Effective Integrated planning and reporting	Non-compliance with regulated planning and reporting guidelines as well as misrepresentation of departmental policies and statements.	Planning and reporting schedule to be incorporated into the department's corporate calendar and regular media briefings done only by informed personnel.

Human Resource Management and Development

Objective	Risk	Mitigation
Building a professional and equitable Public Service Cadre	Limitation of the department to mainstream gender and disability in employment as well as build capacity of staff.	Conduct advocacy workshops to support the required transformation and engage the Kenya School of Government to support them in the provision of the required courses.
Building a modernized, effective and efficient Public Service and Administration	Preparedness and cooperation of departments to implement the human resource management module.	Refer to County Executive Committee Member.
Health, safety and positive morale of Public Service and Administration.	Non-implementation of existing Public Service Employee Health and Wellness by departments.	Support departments to implement the Public Service Act.
County Staff	Delayed processing of staff	DHRAC and CHRAC should

Objective	Risk	Mitigation
discipline	discipline cases.	accelerate the processing of staff discipline cases by coming up with a policy to guide the process for prompt CPSB action.

Civic Education and Public Outreach

Objective	Risk	Mitigation
Sensitize the public on County plans, policies, strategies and actions	Limited funding for broad-based consultations	Forge broad based partnerships with civic education providers and e-platforms
Civic Education and Public Outreach policy for the County	Inaccurate and/ or incomplete and/or unavailability of data on civic education providers	Check previous survey reports on civic education providers and/or appoint service provider to conduct market surveys for credible organizations
Management of public conflict and Implementation of Public Outreach Resolutions.	Lack of structured framework for public engagement	Review the public participation Act and develop the regulations and guidelines to address the risk.

Public Sector Information and Communication Technology Management

Objective	Risk	Mitigation
E Government services	Limited Cooperation of all departments in relation to implementation of the e-government Policy along with timely Public service and Administration quarterly reports.	Involve departments through the entire process. Ensure that there are quarterly reviews held on the submitted reports.
Public Service ICT policies, strategies and Regulations	Lack of cooperation from departments in relation to policy implementation.	Involve departments in the development and implementation.
ICT connection and Validation of Huduma Service Centres	Funding challenges for operational costs of the ongoing connectivity programme	Request departments to allocate budget for connectivity.

Service Delivery and Organization Transformation

Objective	Risk	Mitigation
Service delivery quality improvement	Lack of a Regulation to ensure compliance to implement the service delivery improvement initiatives and frameworks.	Proper consultation and discussions with all stakeholders
Organizational development and transformation	Delays in the approval of the revised legal instruments due to processes of consultation.	Convene periodic follow up meetings with stakeholders departments.
Citizen participation and effective management of complaints.	Un-meaning full Consultations with stakeholders on implementation of the complaints management system may delay the process and buy in.	Utilize the Service Delivery Improvement Forum (SDIF) to enhance citizen engagement programs and initiatives.

Governance, National and International Relations

Objective	Risk	Mitigation
Fight against corruption	Lack of implementation of the Public Sector Integrity Management Framework by departments.	Establishment of the ethics and anti-corruption branch.
Monitoring compliance to public service regulations and policies	Buy in from all relevant stakeholders and use of M&E findings to improve service delivery	Improved Communication Strategy on all M&E Reports & findings
Integrated public administration	Lack of concurrence in County Assembly to the establishment of a Single Public Service as Envisaged in the Draft PAM Bill.	Stakeholder engagements to ensure objectives clearly understood prior to tabling in Parliament.

III: SUPPORTING ATTAINMENT OF THE ‘BIG FOUR’ PLAN FOR JOB CREATION AND SHARED PROSPERITY

Introduction

86. The 2019 MTEF reaffirms the priority policies and strategies outlined in “The Big Four” Plan and as prioritized in the CIDP 2018-2022 as well as in Vision 2030. In this regard, the County Government has taken decisive steps to harness the implementation of various policies and programmes under each of the four pillars namely: (i) supporting job creation by increasing value addition and raising the manufacturing sector’s share to GDP; (ii) focusing on initiatives that guarantee food security and nutrition to all Kenyans; (iii) providing universal health coverage thereby guaranteeing quality and affordable healthcare to all Kenyans; and (iv) supporting construction of at least five hundred thousand (500,000) affordable new houses to Kenyans.

87. Implementation of the policies and programmes under these four pillars is expected to accelerate and sustain inclusive growth, create opportunities for productive jobs, reduce poverty and income inequality and provide a better future for all Kenyans.

The “Big Four” Agenda

88. New job opportunities that require deeper skills and knowledge will be created under this plan. To meet this demand, the County Government has heavily invested in Vocational Education and Training (VET) in each of the 45 wards. The objective is to enhance the quality of graduates to meet the local industrial needs and become internationally competitive. Already, significant progress has been reported in student enrolment in VTCs. Further, the County Government has budgeted for full equipping and development of model VTCs.

89. To finance “The Big Four” Plan programmes, the County Government will rationalize its sector budgets towards the respective BIG FOUR components. More specifically, the county shall engage the National Government, community members, Civil Society Organization, Professionals, private sector players and development partners.

90. The County Government will continue to customize and implement various policies under the National Government Economic Transformation Agenda. These will be centered on five key pillars namely: (i) creating a conducive business environment; (ii) investing in sectoral transformation; (iii) infrastructure expansion; (iv) investing in quality and accessible social services; and (v) consolidating gains made in devolution. Significant achievements have been realized on all the five pillars.

The Big Four” Agenda

Supporting Value Addition and Raising the Share of Manufacturing Sector to GDP

91. The County Government will continue to support job creation by increasing the manufacturing base through an elaborate PPP approach. Over the next three years, a number of initiatives will be implemented under the various County Departments and Agencies (CDAs). The County will foster innovation across the entire value chain – whether in buying new solutions, building their own, or partnering with others to innovate. Principally, the County will;

- ✓ Invest in cottage industries especially in fresh produce such as peanuts, cashew nuts, ground nuts and palm oil.
- ✓ Provide entrepreneurship training to small-scale traders and practicing business people
- ✓ Providing incentives for investment in green energy generation
- ✓ Reserve spaces for iron mongers and woodworks
- ✓ Provide common tools and equipment to workshops and service centres
- ✓ Invest in dairy processing
- ✓ Invest in special economic zones – the industrial and business parks

Enhancing Food and Nutrition Security to all Kenyans by 2022

92. The County will continue to implement measures in the agricultural sector in order to ensure food and nutrition security. The focus will be on establishing irrigation schemes, increasing access to agricultural inputs, providing agriculture extensive services to various groups and implementing programmes to support smallholder farmers to sustainably produce and market various commodities, and supporting large-scale production of staples.

93. Focus will be on improving transport network in high agriculture potential areas, working with KPLC and Energy Regulatory Commission (ERC) to lower electricity tariffs for food producers, reducing cost of licenses for food producers, rewarding model farmers and Leveraging on social media to empower farmers with necessary information on markets, prices, quality of inputs etc.

94. Further, the county will work on improving marketing models and linkages between producers – processors – marketers and consumers.

Providing Universal Health Coverage to Guarantee Quality and Affordable Healthcare to All Kenyans

95. The primary goal is to increase access to quality health care and reduce medical costs incurred by people of Bungoma. The county will focus on investing in Primary Health Care (PHC) services, promoting Health Service Readiness, promoting Health

services availability, investing in Health Services capacity to serve, work with NHIF to register vulnerable populations, investing in ICT tools for addressing Health needs of the people and mainstreaming alternative medicines and healthcare in provision of Health Services.

96. Human resources are very crucial to attainment of the Universal Health Coverage. Thus, the County Government is planning to roll-out a scholarship programme of medical courses for local students. Also staff gaps has been addressed with frequent capacity development programmes.

97. To increase specialized treatment, the County Government will continue to avail and improve specialized medical equipment and infrastructure to hospitals and dispensaries. A plan of developing a new level 4 hospital is underway. Partnerships with health stakeholders especially KMTC and Kibabii University for human resources and innovations.

Provision of Affordable and Decent Housing

98. The county aims at domesticating housing Acts and international obligations. The focus will be on; Mapping out areas in need of affordable and decent housing, replacing current low volume ground based housing units with high volume high quality storey buildings, using PPP approaches to implement affordable and decent housing programmes, encouraging private organizations to invest in affordable and decent housing and forming partnerships with housing material and technology developers to lower costs.

99. Finally, the County will provide land space for the construction of 2,000 housing units by the National Government. Organizations and private individuals with expansive land will be encouraged to leverage on these investments to add value to their parcels.

IV. BUDGET FOR FY 2019/20 AND THE MEDIUM TERM

Fiscal Framework Summary

100. The FY 2019/20 Budget framework will continue with the fiscal consolidation policy to enhance our sustainability position. With the fiscal consolidation strategy, CDAs will have to adopt the culture of doing more with less that is available with a view to promote sustainability and affordability.

101. The budget for FY 2019/20 and the medium-term will be closely aligned to the National Vision 2030, MTP III and the County Government plans, policies and strategies.

102. Sustainability, affordability and strict prioritization are therefore expected to be the norm rather than an exception under this strategy. To achieve this, we need to ensure that:

- Spending is directed towards the most critical needs of the county and is well utilized;
- Programmes and projects are delivered within specified timelines and budgets
- More outputs and outcomes are achieved with existing or lower level of resources; and
- CDAs request for resources are realistic and take into account the resource constraints, in light of the County Government's fiscal consolidation policy.

103. The fiscal framework for the FY 2019/20 Budget is based on the County Government's policy priorities and set out in Chapter I and Chapter II.

Revenue Projections

104. In the FY 2019/20 revenue collection including Appropriation-in-Aid (A.i.A) is projected to increase to Kshs 12,359,831,724 down from Kshs 13,009,521,780 in the FY 2018/19. This revenue performance will be underpinned by on-going reforms in tax policy and revenue administration. Ordinary revenues will amount to Kshs 500,000,000 in FY 2019/20 up from Kshs 391,353,854 in FY 2018/19. The medium term revenue projections are as indicated in table 11.

Table 11: Medium Term Revenue Projections

Type of Revenue	18/19	19/20	20/21	21/22	22/23
(a) Balance B/F- Equitable share	1,255,948,826				
Grants B/F	400,512,252				
(b) Local Revenue	745,168,045	500,000,000	525,000,000	551,250,000	578,812,500
(c) Equitable share	8,949,000,000	9,636,000,000	10,117,800,000	10,623,690,000	11,154,874,500
(d) Conditional grants- Dp	769,104,018	1,358,868,920	1,426,812,366	849,104,018	849,104,018
(e) Conditional grants- NG	533,956,683	486,297,982	510,612,881	533,956,683	533,956,683
(f) Other sources (Specify) AIA	355,831,956	378,664,822	397,598,063	417,477,966	438,351,865
(g) Loans			-	-	-
TOTALS	13,009,521,780	12,359,831,724	12,977,823,310	12,975,478,667	13,555,099,566

Expenditure Projections

105. Overall expenditure for FY 2019/20 is projected at Kshs 12,359,831,724 compared to the revised estimate of Kshs 13,009,521,780 for FY 2018/19. The actual expenditure for the FY 2017/18 revised budget was Kshs 8,774,624,423 (78.13 percent of Budget)(11.07 of budget)

106. These expenditures comprise of recurrent of Kshs 7,464,410,420 (66.4 percent of Budget) and development of Kshs 1,310,214,002 (11.7 percent of Budget) and a balance of Kshs 2,455,083,912 (21.9 percent) carried forward to FY 2018/19.

Table 12: Resource Envelope

Revenue source	Revised estimates 2018/19	Estimates for 2019/20
Balance C/F Equitable share	1,255,948,826	
Balance C/F grants	400,512,252	
Equitable share	8,949,000,000	9,636,000,000
Local Revenue/AIA	745,168,045	500,000,000
AIA	355,831,956	378,664,822
Conditional Grants- NG	533,956,683	486,297,982
Conditional Grants (Tentative for FY 2018/19)	769,104,018	1,358,868,920
Loans	0	0
Grand Total	13,009,521,780	12,359,831,724

Source: CRA, 2018

107. The ceiling for development expenditures (inclusive of conditional transfers to the wards) including foreign financed projects amounts to Kshs 4,340,742,022 in the FY 2019/20 from Kshs 4,956,844,290 in FY 2018/19 (representing a reduction of -12.63%). The development ceiling for FY 2018/19 is high because of the inclusion of balances carried forward from FY 2017/18. Most of the outlays are expected to support critical infrastructure projects. Part of the development budget will be funded by project loans and grants from national government and development partners, external borrowing, while the balance will be financed through robust mobilization and application of domestic resources.

108. A contingency Fund of Kshs 100million is provided for in the FY 2019/20 budget. In addition, Kshs 765,000,000 is provided for as County conditional grants to the wards (with each ward allocated 17,000,000 for development).

Strategies for Local Revenue Generation

109. Measures to enhance own revenue collection will focus on formalizing all informal businesses with a view of creating a structured way of levying relevant fees and charges. The county will finalize the preparation and roll-out of the valuation roll to guide decisions on property taxes. Additionally, measures will be undertaken to waive given percentage of interest on land rates and adoption of phased repayments to encourage pay-ups.

110. Further, the county shall update on a regular basis the register of all businesses in and demand that each business entity be licensed to operate. Officials both in the executive and the County Assembly will be required to support the county in revenue mobilization initiatives, including payment of requisite fees and charges on demand.

111. No person, serving in the public service of Bungoma County or in appointive, elected and or nominated positions shall incite the public against payment of legal fees/charges as provided for in the Annual Finance Act. The county shall enforce the provisions of both national and local laws to ensure observance of the requirements to pay due taxes and associated fees, charges, fines and penalties.

112. Annex five provides specific details of the revenue enhancement measures that the county will pursue in medium term to ensure successful implementation of the proposed Turn - Around Management and Business Advisory Services (TAM/BAS) initiatives by the County Revenue Directorate

Deficit Financing

113. Reflecting the resource requirements and revenues, the fiscal deficit (excluding grants), is projected at Kshs 13B in the FY 2019/20. This deficit will be financed by a combination of approaches, including making official request to national government for specific support, ramping up local revenue collection, especially AIA and borrowing from the market at negotiated rates subject to the provisions of the County Medium Term Debt Management Paper 2019/20 – 2021/22.

Budgetary Allocations for the FY 2019/20 and the Medium Term

114. The budgetary allocations to the two arms of the County Government including local revenue is summarized in Table 13.

Table 13: Summary Budget Allocations for the FY 2019/20 - 2021/22

CG Arm	2018/19	2019/20	2020/21	2021/22
County Executive (Governor)	369,091,633	387,546,215	406,923,525	County Executive (Governor)
County CDAs	10,849,078,408	11,391,532,328	11,961,108,945	County CDAs
County Assembly	1,141,661,683	1,198,744,767	1,258,682,006	County Assembly
Totals	12,359,831,724	12,977,823,310	13,626,714,476	Totals
% share in total expenditure				
County Executive	91%	91%	91%	91%
County Assembly	9%	9%	9%	9%

Key Priorities for the 2019/20 Medium Term Budget

115. The Medium-Term Budget 2019/20 – 2021/22 will further support the ongoing priorities for the achievement of the priorities in the CIDP 2018 – 2022, County Agenda 2040 and the National Government MTP III and the “Big Four” Plan taking into account:

- Responsible management of public resources;
- Building a resilient, more productive and competitive county economy;
- Delivering better public services within a tight fiscal environment, and
- The need to deepen governance, anti-corruption and public financial management reforms to guarantee transparency, accountability and efficiency in public spending.
- The need to allocate resources based on peoples felt needs and the impact they promise to deliver
- The need to focus on affordability, strict prioritization and sustainability of interventions

Flagship projects

116. In the medium term, the County shall direct resources towards the completion of its strategic development agenda. This will be done through partnerships with National Government and development partners. Table 14 provides details of the county strategic development projects and the proposed funding in phases.

Table 14: Flagship and other projects funding projections

Flagship and other projects	Total requirement to complete the project	Allocation FY 2018/19	Allocation FY 2019/20	FY 2020/21
Dual carriageway	1,382,442,976	100,000,000	300,958,376	641,221,488
Stadium	700,000,000	83,540,893	119,016,248.00	308,229,554
Milk Processor	198,000,000	57,444,100	71,000,000.00	70,277,950
Misikhu – Brigadier	744,000,000	150,000,000	100,000,000	-
Bumula – Mateka road	520,000,000	70,000,000	160,000,000	225,000,000
Industrial park	2,500,000,000	55,000,000	20,000,000	500,000,000
Chwele agribusiness	600,000,000	10,000,000	50,000,000	590,000,000
Health Sirisia and Bungoma	200,000,000	99,999,945	100,000,000.00	-
Education - scholarship	400,000,000	190,000,000	60,000,000	-
Education centres of excellence-	100,000,000	30,000,000	30,000,000	-
Water Infrastructure Sirisia / Bumula	600,000,000		160,000,000	-
Coffee value chain	100,000,000		30,000,000	-
Milk coolers	20,000,000		15,000,000	-
Total	8,064,442,976	845,984,938	1,115,016,248	2,334,728,992

117. Analysis of table 14 shows that the County does not have sufficient fiscal space to implement all the flagship projects at a go. The preferred approach which is more sustainable is to identify 1 or 2 high impact priorities and provide sufficient resources to see them through within two financial years, with the rest being phased accordingly.

Allocation Baseline Ceilings

118. The baseline estimates reflect the current ministerial spending levels in sector programmes. In the recurrent expenditure category, non-discretionary expenditures take first charge. These include payment of public debts and interest therein, salaries for staff and pensions.

119. Development expenditures have been shared out on the basis of the flagship projects in Vision 2030, “The Big Four” Plan and the third MTP III priorities. The following criteria was used in apportioning capital budget:

- *On-going projects*: emphasis was given to completion of on-going capital projects and in particular infrastructure projects with high impact on poverty reduction, equity and employment creation.
- *Counterpart funds*: priority was also given to adequate allocations for donor counterpart funds which is the portion that the County Government must finance in support of the projects financed by development partners.
- *Strategic policy interventions*: further priority was given to policy interventions covering the entire county, regional integration, social equity and environmental conservation.

Finalization of Spending Plans

120. The finalization of the detailed budgets will entail thorough scrutiny to curtail spending on non-productive areas and ensure resources are directed to priority programmes. Since detailed budgets are scrutinized and the resource envelope firmed up, in the event that additional resources become available, the county will utilize them to accommodate key strategic priorities. Specifically, the following will receive priority:

- Interventions identified during the stakeholders consultations for the FY 2019/20 budget and over the medium term
- Strategic interventions in the areas of manufacturing, food security enhancing programmes, affordable housing, health coverage and public facilities and other policy interventions to enhance regional integration and social equity; and
- Specific consideration to enhance job creation for the youth based on sound initiatives identified within and outside the normal budget preparation.

Details of Sector Priorities

121. The medium-term expenditure framework for 2019/20 – 2021/22 ensures resource allocation based on prioritized programmes aligned to the MTP III, CIDP II and other county policy documents. It also focuses on strategic policy initiatives of the national government to accelerate growth, employment creation and poverty reduction.

Agriculture, Rural and Urban Development Sector

122. The Sector plays a key role in the development agenda of the county through enhancing food and nutrition security; employment and wealth creation; security of land tenure and land management. Through linkages with manufacturing, distribution and other service-related sectors, the sector supports livelihoods across multiple sectors.

123. In the medium term, the sector shall prioritize investments that aims to transform agriculture into a modern, professionally-managed and market-oriented economic undertaking. This will be achieved through targeted investments that create an environment conducive to increased production; especially investing in the infrastructure required for agricultural intensification, promotion of professionalism, agricultural technological innovations and public – private sector partnerships.

124. The proposed County Agriculture Investment Plan for Agricultural Transformation will have the following five strategic programs among other issues:

Intensification and Development of Sustainable Production Systems	Support to the Professionalization of Producers	Promotion of Commodity Chains and Agribusiness Development	Institutional Development	Promotion of Agri-Entrepreneurship
Relieve the physical and economic constraints to food and nutrition security, erosion control, water conservation and Management and input use. This program is the absolute priority.	Make the County's farmers The knowledge-intensive Sector it needs to be in order to see the private sector flourish and for farmers' to begin to see the sector as a business.	Create conducive environment, infrastructure and knowledge necessary for a strong inputs and Processing sector.	Strengthen the institutional environment, particularly at Sanga'lo and Mabanga to improve their capacity to implement the sector's strategies and investment plan	Give the farmers exposure and mechanisms to transmit produce to markets through scheduled exhibitions, shows, trade fairs and focused Farmer Led Entrepreneurship trainings

125. In the medium term, the sector will focus on the following 10 programmes, namely;

- i. Land and Crop Development and Management
- ii. Livestock Resources Development and Management
- iii. Fisheries development, management and the Blue economy
- iv. Institutional Development and Management
- v. Land resource development and management
- vi. County physical Planning Services
- vii. Urban and peri urban infrastructure development and management
- viii. Urban environmental services
- ix. Urban economy and investment management
- x. Urban governance

Energy, Infrastructure and Information, Communication and Technology Sector

126. The Sector aims to sustain and expand cost-effective public utility infrastructure facilities and services in the areas of energy, transport, ICT in line with the priorities in the Constitution of Kenya and the CIDP II and MTP III. Sustaining and expanding physical infrastructure is geared towards the realization of “The Big Four” Plan.

127. As we record expansion in our urban population and road users, and informed by public need, it has become necessary to expand the current Mumias – Bungoma road (C-33) to enable it handle the increased traffic, reduce losses to businesses, reduce accidents and open up the corridor for additional investments.

128. Currently, the whole stretch of the road from Mumias - Bungoma is very narrow and the carriageway is worn out with non-existent road wings. The patching works undertaken by the contractor seem temporary due to high traffic thus exposing motorists and other road users to risks. The situation is compounded by blocked and narrow and outdated drainage systems that may render the current improvement efforts uneconomic.

129. In the medium term, joint efforts of the county and national government will focus on facilitating the re-design of the road to include among other improvements;

- i. Standard carriageway with non-motorized lanes and climbing lanes
- ii. Appropriate road furniture and signage
- iii. Parking bays
- iv. Passenger waiting areas
- v. Roadside amenities including modern business stalls and sanitation services
- vi. Market access and spur roads
- vii. Dualing of the road section from Sangálo Junction to Kanduyi Junction on road A 104, approximately 7 km.

130. Our economic projections show that there is an infrastructural symbiotic relationship between dualing that section of the road and the new roads currently being undertaken as it offers connectivity for people, business and communities along the corridors. Once completed, the network will play a critical role in improving the county’s transportation logistics and trade competitiveness in line with our County Integrated Development Plan (CIDP II) and the Spatial Development Plan

131. In the medium term, the sector will focus on the following 8 programmes, namely;

- i. Public sector information and communication technology management
- ii. Energy Development and Management
- iii. Transport infrastructure development and management
- iv. Building standards and other civil works

- v. Public safety and transport operations
- vi. Sanitation Management and Development
- vii. Housing Development and Management
- viii. Housing Financing and Developer services

General Economic and Commerce Affairs Sector

132. The Sector is mandated to promote, co-ordinate and implement integrated socio-economic policies and programmes for a rapidly industrializing economy. During the FY 2015/16 - 2017/18 MTEF, key achievements realized in the Sector included; a reformed tax administration and management environment, improved business environment and enhanced networking between the county and business entities on business development services.

133. In the medium term, the sector will focus on the following 7 programmes, namely;

- i. Tourism Product Development and Marketing
- ii. Tourism Policy and Knowledge services
- iii. Trade Licensing and Regulation
- iv. Trade and Enterprise Development
- v. Market Infrastructure Development, and Management
- vi. Industry Public Private Partnerships and Industrial Development
- vii. Cooperatives Development and Management

Health Sector

134. Health is a shared function between the National Government and County Governments. The Sector is responsible for the provision and coordination of the health services which contributes to the overall productivity and economic development of the country.

135. For the 2015/16-2017/18 MTEF period, the Sector realized the following achievements among others; implemented interventions to control the spread of HIV/AIDS, malaria and tuberculosis in the county which has seen 80 percent of public health facilities been equipped with diagnostic capacity for malaria and an increase in the number of tuberculosis cases notified.

136. During the 2019/20-2021/22 MTEF period, the Sector will prioritize provision of the universal health coverage to the county population, whilst also investing in strengthening health delivery systems and structures for enhanced services readiness, service availability and capacity to offer services at all county health facilities.

137. In the medium term, the sector will focus on the following 3 programmes, namely;

- i. Curative and Rehabilitative health
- ii. Reproductive, Maternal, New- Born and Adolescent Health
- iii. Preventive and Promotive Health

Education Sector

138. The Sector is committed to the provision of quality education, training, science, technology, research and skills development, in order to contribute to the building of a just and cohesive society that enjoys inclusive and equitable social-economic development.

139. During the FY 2015/16 - 2017/18 MTEF period, the Sector made several achievements including: increased completion rate at ECDE level from 81 percent in 2015 to 85 percent in 2017 and increased the transition rate from primary/secondary institutions into vocational training institutions.

140. For the FY 2019/20 - 2021/22 MTEF period, the Sector has prioritized several programmes for implementation including: recruitment of additional ECDE teachers and instructors to support the 100 percent transition policy of the National Government. Additionally, the sector will direct investments especially from the Ward Based Projects towards development of ECDE Centres of excellence for each Ward, to give our young children a strong start in education.

141. Vocational Training institutions will be revamped across the county through dedicated investments in infrastructure improvements and provision of quality teaching/learning material including deployment of ICT systems to widen delivery modes of vocational education and skills

142. In the medium term, the sector will focus on the following 3 programmes, namely;

- i. Early Childhood Development and Education
- ii. Education Support Programme
- iii. Vocational Education and Training

Public Administration and International Relations Sector

143. The Sector provides overall policy direction and leadership to the county, oversee the human resource function in the public service, coordinate county policy formulation and implementation, resource mobilization, allocation and management, strengthening of further units of devolution, coordinating implementation of youth policy and mainstreaming in national development, implementation of the county civic education

policy as well as oversight, monitoring, evaluation and reporting on the use of public resources and service delivery.

144. A total of 20 programmes were implemented within the sector during the MTEF period 2015/16 - 2017/18. Tremendous progress was made in achievement of the sector's set targets. These include the following among others: development of county's medium term development plans; preparation of various statistical publications and reports; operationalization of new units of devolution (Village Units and Municipal Boards); provision of capacity building and technical assistance to county government Departments and Agencies, resource mobilization, allocation and oversight in the public sector; seconded staff to serve in Huduma centres; implementation of performance management systems and continued improvement of civil servants welfare,

145. In the FY 2019/20 and the medium term, the Sector will focus on enhancing advisory on public policy for effective management of public affairs; management and implementation of the devolved system of government to promote harmonious inter- and intra-governmental relations; strengthening management of humanitarian support services; provision of quality public services, strengthening of county governance institutions and review and alignment of the county legal framework to address people's needs and emerging issues.

146. More specifically, the sector will pool its efforts towards improving the generation of own revenue which has been in decline thus affecting our annual budgets. The revenue directorate in collaboration with other county entities will thus be charged with implementing Turn - Around Management and Business Advisory Services (TAM/BAS) initiatives whose objectives will be geared towards enhancing local revenue generation and its management to ensure stability in our programming and budgeting.

147. In the medium term, the sector will focus on the following 15 programmes, namely;

- i. Governance and public relations
- ii. Service delivery and organizational transformation
- iii. Human resource and records management and development
- iv. Youth Empowerment and Development
- v. Gender Equality and Empowerment of Vulnerable Groups
- vi. Economic Development Planning and Coordination Services
- vii. Data collection and County statistical information services
- viii. Monitoring and Evaluation Services
- ix. Public financial management
- x. Audit Services

- xi. Visible Policing
- xii. Crime Intelligence
- xiii. Community Protection and Security Services
- xiv. Legislation, Oversight, and Representation
- xv. Public Participation and Citizen Engagement

Social Protection, Culture and Recreation Sector

148. The Sector is mandated to promote sustainable employment, best labour practices, sports, gender equity, empowerment of communities and vulnerable groups, diverse cultures, heritage and arts.

149. During the FY 2015/16 – 2017/18 MTEF period, the key achievements in the Sector included; provision support to food insecure persons and vulnerable groups, provision of cash transfers to 5,000 households (2000 beneficiaries) annually under regular Hunger and Safety Net Programme (HSNP); provision of cash transfers to 3,000 households annually orphans and vulnerable children and to person with severe disabilities) under the Inua Jamii Programme; provision of school girls with sanitary towels to reduce girls absenteeism in schools; trained 3,500 duty bearers and stakeholders in response and prevention of Gender Based Violence.

150. In the 2019/20 – 2021/22 MTEF period, the Sector will implement various initiatives including: implementing empowerment programmes for vulnerable individuals and groups and enhancing opportunities for their self-reliance and resilience.

151. Through cash transfers annually; provide sanitary towels to 200,000 school going girls to reduce absenteeism in school; host and participate in national, regional and international sports competitions; continue developing and upgrading sports infrastructure (county stadia); empower 500 cultural artists/ practitioners; honor 50 heroes and heroines; nurture 300 youth in music and dance; establish an Alternative Dispute Resolution (ADR) Mechanism for labour and employment related disputes; and sensitize 100,000 people in prevention and response to Gender Based Violence and FGM.

152. In the medium term, the sector will focus on the following 4 programmes, namely;

- i. Sports Facility development and management
- ii. Sports and Talent development and management
- iii. Cultural Development and Management
- iv. Culture and Creative Industries Development

Environment Protection, Water and Natural Resources

153. The Sector plays a crucial role in the economy as it contribute immensely to life support systems by providing goods and services that are critical enablers for the realization of the CIDP II and “Big Four” Plan. Investment in this Sector also ensures the delivery of direct and indirect goods and services that are the backbone for the main productive Sectors namely agriculture, tourism, energy and manufacturing.

154. For the 2018/19 to 2020/21 MTEF period, the Sector has prioritized programmes intended to; provide policy and legal framework for efficient and effective management of the environment; sustainably manage and conserve environment and water resources; provide reliable weather and climate information for decision making; sustainably manage and conserve forests and water towers; sustainably conserve and manage Kenya’s wildlife; provide policy and legal framework for efficient and effective management of the natural resources; increase availability of safe and adequate water resources; enhance accessibility of water and sewerage services; enhance utilization of land through irrigation, drainage and land reclamation; and increase per capita water storage capacity for irrigation and other uses.

155. In the medium term, the sector will focus on the following 5 programmes, namely;

- i. Integrated solid waste management
- ii. Forest conservation and management
- iii. Environment management conservation and protection
- iv. Water Resources management and development
- v. Natural Resources conservation and management

Annex 4 provides details of the projects associated with each sector programme.

Public Participation/ Sector Hearings and Involvement of Stakeholders

156. The law requires that the input of the public be taken into account before the Budget proposals are firmed up. In this regard, we held Public Hearings for the FY2019/20 Budget between 11th and 15th February, 2009 with additional engagements with other stakeholder groups at earlier dates.

The need to clarify differences in the cost of road works undertaken by the County.

157. The public commended the county for the renewed resolve to open up and expand the county road network. However, concerns were raised as to why there is variation on the cost of roads constructed even though they cover the same length. It was clarified that; the cost of road construction varies based on road design which are categorized into classes with Class A roads associated with high cost of construction. The design of the

road is determined by various factors such as the volume of vehicles passing through the road; soil texture; location; and possibility of flooding.

Health

158. The public noted that there was no provision for personnel to run the various dispensaries and health centres dotted across the county. The sector clarified that contracts for temporary health workers had been renewed and that provision for training community health workers to help bridge the gap were being planned.

159. Additionally, the public highlighted that the out of pocket spending was high in some instances and the NHIF cover was inadequate in high cost treatments. Besides, the public reported that there were citizens who were unable to pay for the NHIF scheme and wanted to know what the Sector was doing to cater for everyone. In response, the Sector noted that NHIF follows a specific criterion in determining how much to cover for an eligible patient and that in cases of doubt the public should consult the nearby NHIF offices for clarification. Moreover, the Sector stated that the Universal Health Coverage program would ensure that those not covered by any scheme would receive treatment after its piloting in Machakos, Nyeri, Isiolo, and Kisumu Counties.

160. The full report of the public input into the county budget process will be finalized and submitted to the County Assembly together with this document on or before the 28th of February, 2019.

Collaborations with National Government and Development Partners

National Government

161. The County priority is to benefit from the Development Surge (SD) that emanates from intensification of collaborations and partnerships with the fellow County Governments as well as the National Government (NG) and Development Partners (DP)

162. Consequently, the County will forge and strengthen cooperation and collaboration with the National Government to attract additional support for economic and social infrastructure programmes while also tapping into technical assistance and structured learning support that is offered by National Government Ministries, Departments and Agencies. The Conditional Grants from National Government due to the County Government of Bungoma are as indicated in table 15.

Table 15: National Government Conditional Grants allocations summary

	Conditional grants	Amounts (Kshs.)	
		2018/19	2019/20
1.	Compensation user fees foregone - Health	32,837,307	32,837,307
2.	Leasing medical equipment	200,000,000	131,914,894
3.	Development of Youth Polytechnics	65,500,000	65,500,000
4.	Road Maintenance Fuel Levy	235,619,376	256,045,781
	TOTALS	533,956,683	486,297,982

Conditional Allocations from Development Partners

163. In the last four financial years, the county has been receiving DANIDA conditional grants as Health Sector Support Grant. In 2018/19, the county also received Health Sector Support conditional grant from World Bank. These conditional grants are expected to continue in the Financial Year 2019/20 Financial Year.

S/no.	Conditional grants	Amounts (Kshs.)	
		2018/19	2019/20
1.	Transforming Health Systems for Universal Care Project (THSUCP) - (World Bank)	100,000,000	143,000,000
2.	National Agriculture & Rural Inclusive Growth Project (NARIGP) -World Bank)	140,435,263	350,000,010
3.	Kenya Devolution Support Project KDSP- Level 1 grant (IDA-World Bank)	58,329,310	58,329,310
4.	Kenya Urban Support Project (IDA-World Bank)	300,977,100	300,977,100
5.	Unversal Health Care in Devolved System Programme (DANIDA)	29,362,500	29,362,500
6.	Kenya Devolution Support Project KDSP Level 2 Grant (World Bank)	0	350,000,000
7.	Agriculture Sector Support Programme -ASDSP (SWEDEN) Bal 2017/18	22,404,685	0
8.	Water Tower Protection & Climate Change Mitigation and Adaptation Programme (WaTER) - EU	80,000,000	80,000,000
9.	Kenya Urban Support Project (KUSP)- Urban Institutional Grants (UIG) Bal 2017/18 (World Bank)	41,200,000	41,200,000
10.	UNICEF	0	6,000,000
	TOTALS	772,708,858	1,358,868,920

Municipal Management Boards

164. Through support provided by the Kenya Urban Support Programme (KUSP), the County has established Bungoma and Kimilili Municipal Management Boards. These institutions are essential for efficient and effective management of urban areas and proactive response to urban issues. In this regard, the county will facilitate the boards with the necessary budgetary and logistical support to ensure efficient and effective service delivery.

165. The County will supplement the support provided by the Kenya Urban Support Programme as well as the Urban Institutional Grants by allocating budgetary resources for the provision of urban services.

Service Delivery Unit

166. The county has established a Service Delivery Unit (SDU) within the Office of the Governor to spearhead efforts for continuous improvement of our policy, strategy and compliance environment in the delivery of public goods, services and works. Wastage of resources and limited budget absorption will forthwith be reduced and capacity to deliver quality services enhanced over the medium term

Public Private Partnerships

167. Enhanced development cooperation, networking and collaborations through Public Private Partnerships (PPP) approach will enhance faster development, replicate best development practices and create job opportunities. The county will therefore put in place mechanisms through favorable policies and necessary legislations guided by necessary National Treasury Circulars and conditions.

168. Partnering with the private sector is the foundation of any successful large-scale development strategy. The shared nature of the global development challenges we face today calls for collective action that is inspired and shaped by the challenges and opportunities of the years ahead. Building vibrant and systematic partnerships with the private sector is a vital prerequisite for the successful implementation of a transformative agenda to accelerate poverty reduction and sustainable development in the post-2015 era.

The future steps

169. Future investments should be geared towards supporting the SDGs. In addition to eliminating poverty, the new framework addresses the drivers of change, such as economic growth, job creation, reduced inequality and innovation that makes better and more careful use of natural resources. Industry plays a prominent role in advancing all these drivers.

170. The private sector is not only a source of financing, but is also an actor in development. Its role, especially when motivated by long-term sustainability interests, lies in core operations and the wide impact of business, and relates directly to UN values, poverty eradication and the spectrum of issue areas covered by the proposed SDGs. This dynamic role as a driver of sustainable economic growth brings with it opportunities in value creation as well as important responsibilities for business as a driver of sustainable economic growth.

171. More and more governments and businesses are incorporating social and environmental sustainability criteria in core business operations. This will remain a key challenge and opportunity for the SDGs development era. Very sophisticated and transparent techniques are being developed to align corporate long-term goals with global sustainability goals.

172. Partnerships are expected to play a key role in the implementation of the future SDGs. In this regard, it is important to recognize that partnerships come in a wide variety of shapes and sizes, and operate at all levels, from local to global. Transparency, trust and dialogue are extremely important to achieve a successful partnership. Partners must also show what they expect in return and make their own objectives clear within the partnership.

173. The most direct route to innovation, technological advances and productive capacity is through a healthy, engaged industrial sector. There is strong need for an inclusive discussion format, involving business in the county development plans. Multi-sector initiatives involving engaged business, such as United Nations Global Compact's Local Networks or the UNIDO Green Industry Platform, among others, could support this trend.

Disaster Risk Reduction

174. Since Disaster Risk Reduction (DRR) are so closely entwined with sustainable development, it is inevitably a shared function of both the national and the county government, thus both levels of government will initiate the prerequisite mechanisms to mitigate and manage disasters

175. To address unforeseen risks, both manmade and natural, the County shall provide a contingency of at least 2% of the total budget for FY 2019/20.

Resource Sharing Guidelines

176. The resources available are shared in accordance with the following guidelines;

- i. Mandatory expenditures in the form of personnel Emoluments, operations and maintenance
 - ii. Non-discretionary expenditures (Personnel Emoluments); this takes first charge and includes payment of statutory obligations such as salaries, pension and others. These expenditures are projected to account for about 43% of the Budget.
 - iii. Operations – make up 21.2% of the FY 2019/20 budget
 - iv. Maintenance - Departments are allocated funds for basic maintenance. This accounts for 0.8 per cent of the budget
- On-going projects- emphasis is given to completion of on-going projects and in particular infrastructure projects, flagship projects and projects with high impact on poverty reduction and equity, employment and wealth creation.
 - Statutory requirements- priority is also given to programmes that must be funded in accordance with the law such as Ward Loan Schemes, Ward Bursaries and County Trade Loans.
 - Strategic policy interventions- priority is given to policy interventions covering the entire county, regional integration, social equity and environmental conservation.
 - Pending bills- County MDAs will be guided by available resource envelop while also making strategic reductions on programme implementation.

Urban Development Strategy

177. The future prosperity of the county will be supported by viable and sustainable network of urban areas and towns. Over the medium term, the urban management boards/ committees will be empowered through urban plans and budgets to progressively realize the urban development strategy. Focus will be placed on the following urban areas; Bungoma, Webuye, Kimilili, Sirisia, Malakisi, Tongaren, Lwakhakha, Chwele, Cheptais, Bumula, Brigadier and Kapsokwony.

178. The Bungoma urban growth and development strategy is a long-term aspirational strategy driven through four outcomes namely;

- a) Improved quality of life and development-driven resilience for all.
- b) A resilient, livable, sustainable urban environment – underpinned by infrastructure supportive of a low-carbon economy.
- c) An inclusive, job-intensive, resilient and competitive economy.
- d) A leading metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive.

Urban Development Outcomes	Related Outputs
1.Improved Quality of life and development-driven resilience	<ul style="list-style-type: none"> • Reduced poverty and dependency

Urban Development Outcomes	Related Outputs
for all	<ul style="list-style-type: none"> • Food security that is both improved and safe-guarded • Increased literacy, skills and lifelong learning amongst all our citizens • Substantially reduced HIV prevalence and non-communicable diseases-healthy living for all • Safe and secure Bungoma • Improved social inclusivity and enhanced social cohesion
2. A resilient, livable, sustainable urban environment – underpinned by infrastructure supportive of a low-carbon economy	<ul style="list-style-type: none"> • Sustainable and integrated delivery of water, sanitation, energy and waste management • Eco-mobility • Sustainable human settlements • Climate change resilience and environmental protection
3. An inclusive, job-intensive, resilient and competitive economy.	<ul style="list-style-type: none"> • Job-intensive economic growth • Promotion and support to small businesses • Increased competitiveness of the economy • Able to deliver quality services to citizens in an efficient and reliable manner.
4. An urban region that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive region	<ul style="list-style-type: none"> • An active and effective citizen focused region • A responsible, accountable, efficient and productive region • Financially and administratively sustainable and resilient towns and urban areas • Meaningful citizen participation and empowerment in urban governance and decision making

179. The county Executive Member for Finance shall furnish the County Assembly with additional information Concerning this CFSP whenever the information becomes available from National Government, MDAs, CRA, COB, SRC, and development partners

ANNEXES

Annex 1: Total Sector Ceilings for MTEF Period 2018/19-2020/21

Department	Details	Printed Estimates FY 2018/19	Allocation FY 2019/20	Projections		% share of total budget FY 2019/20	% share of total budget (Projections)	
				2020/21	2021/22		2020/21	2021/22
Agriculture, Livestock, Fisheries, Irrigation and Co-operative Development	Recurrent	461,501,147	333,709,239	350,394,701	367,914,436	2.7	2.7	2.7
	Development	574,631,946	633,170,951	664,829,499	698,070,973	5.1	5.1	5.1
	Sub Total	1,036,133,093	966,880,190	1,015,224,199	1,065,985,409	7.8	7.8	7.8
Education and vocational training	Recurrent	1,048,133,841	1,142,252,996	1,199,365,646	1,259,333,928	9.2	9.2	9.2
	Development	491,562,572	262,436,788	275,558,627	289,336,558	2.1	2.1	2.1
	Sub Total	1,539,696,413	1,404,689,784	1,474,924,273	1,548,670,486	11.4	11.4	11.3
Health	Recurrent	2,987,831,168	3,051,968,867	3,204,567,310	3,364,795,676	24.7	24.7	24.6
	Development	378,212,423	187,636,327	197,018,143	206,869,050	1.5	1.5	1.5
	Sub Total	3,366,043,591	3,239,605,194	3,401,585,453	3,571,664,726	26.2	26.2	26.2
Sanitation	Recurrent	0	2,500,000	2,625,000	2,756,250	0.0	0.0	0.0
	Development	0	13,113,112	13,768,768	14,457,206	0.1	0.1	0.1
	Sub Total	0	15,613,112	16,393,768	17,213,456	0.1	0.1	0.1
Roads and Public works	Recurrent	187,363,671	116,787,707	122,627,092	128,758,447	0.9	0.9	0.9
	Development	1,678,939,428	1,228,914,429	1,290,360,150	1,354,878,157	9.9	9.9	9.9
	Sub Total	1,866,303,099	1,345,702,136	1,412,987,242	1,483,636,604	10.9	10.9	10.9
Trade, Energy and Industrialization	Recurrent	49,305,861	30,564,778	32,093,017	33,697,668	0.2	0.2	0.2
	Development	252,167,712	185,892,540	195,187,167	204,946,525	1.5	1.5	1.5
	Sub Total	301,473,573	216,457,318	227,280,184	238,644,193	1.8	1.8	1.7
Lands, Urban and Physical planning	Recurrent	126,873,101	40,585,873	42,615,166	44,745,925	0.3	0.3	0.3
	Development	510,698,403	80,594,837	84,624,578	88,855,807	0.7	0.7	0.7
	Sub Total	637,571,504	121,180,709	127,239,745	133,601,732	1.0	1.0	1.0
Kimilili Municipality	Recurrent		23,000,000	24,150,000	25,357,500	0.2	0.2	0.2
	Development		220,000,000	231,000,000	242,550,000	1.8	1.8	1.8
	Sub Total	0	243,000,000	255,150,000	267,907,500	2.0	2.0	2.0
Bungoma Municipality	Recurrent		24,200,000	25,410,000	26,680,500	0.2	0.2	0.2
	Development		120,977,100	127,025,955	133,377,253	1.0	1.0	1.0
	Sub Total	0	145,177,100	152,435,955	160,057,753	1.2	1.2	1.2
Housing	Recurrent	26,279,597	18,785,883	19,725,177	20,711,436	0.2	0.2	0.2

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Department	Details	Printed Estimates FY 2018/19	Allocation FY 2019/20	Projections		% share of total budget FY 2019/20	% share of total budget (Projections)	
				2020/21	2021/22		2020/21	2021/22
	Development	28,450,913	10,000,000	10,500,000	11,025,000	0.1	0.1	0.1
	Sub Total	54,730,510	28,785,883	30,225,177	31,736,436	0.2	0.2	0.2
Tourism and Environment	Recurrent	109,388,449	138,716,261	145,652,074	152,934,678	1.1	1.1	1.1
	Development	22,680,255	10,000,000	10,500,000	11,025,000	0.1	0.1	0.1
	Sub Total	132,068,704	148,716,261	156,152,074	163,959,678	1.2	1.2	1.2
Water and Natural Resources	Recurrent	54,766,999	39,515,764	41,491,552	43,566,130	0.3	0.3	0.3
	Development	482,744,695	443,390,233	465,559,745	488,837,732	3.6	3.6	3.6
	Sub Total	537,511,694	482,905,997	507,051,297	532,403,862	3.9	3.9	3.9
Gender and Culture,	Recurrent	121,642,706	54,673,226	57,406,888	60,277,232	0.4	0.4	0.4
	Development	173,540,393	20,000,000	21,000,000	22,050,000	0.2	0.2	0.2
	Sub Total	295,183,099	74,673,226	78,406,888	82,327,232	0.6	0.6	0.6
Youth and Sports	Recurrent		10,000,000	10,500,000	11,025,000	0.1	0.1	0.1
	Development		139,016,248	145,967,060	153,265,413	1.1	1.1	1.1
	Sub Total	0	149,016,248	156,467,060	164,290,413	1.2	1.2	1.2
Finance and Economic planning	Recurrent	969,622,374	1,258,873,005	1,321,816,655	1,387,907,488	10.2	10.2	10.2
	Development	27,391,981	79,099,459	83,054,432	87,207,154	0.6	0.6	0.6
	Sub Total	997,014,355	1,337,972,464	1,404,871,087	1,475,114,642	10.8	10.8	10.8
Public Service Management and Administration and devolved administration units	Recurrent	444,839,292	317,297,417	333,162,288	349,820,402	2.6	2.6	2.6
	Development	46,215,565	47,500,000	49,875,000	52,368,750	0.4	0.4	0.4
	Sub Total	491,054,857	364,797,417	383,037,288	402,189,152	3.0	3.0	2.9
Office of the County Secretary	Recurrent	98,169,203	142,329,310	149,445,776	156,918,064	1.2	1.2	1.1
	Development	33,100,000	385,000,000	404,250,000	424,462,500	3.1	3.1	3.1
	Sub Total	131,269,203	527,329,310	553,695,776	581,380,564	4.3	4.3	4.3
Governor's Office	Recurrent	402,885,029	338,391,200	355,310,760	373,076,298	2.7	2.7	2.7
	Development	0		0	0	-	0.0	0.0
	Sub Total	402,885,029	338,391,200	355,310,760	373,076,298	2.7	2.7	2.7
Office of the Deputy Governor	Recurrent	39,530,969	30,700,433	32,235,455	33,847,227	0.2	0.2	0.2
	Development	0		0	0	-	0.0	0.0
	Sub Total	39,530,969	30,700,433	32,235,455	33,847,227	0.2	0.2	0.2
County Public Service	Recurrent	49,565,951	36,576,060	38,404,863	40,325,106	0.3	0.3	0.3

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Department	Details	Printed Estimates FY 2018/19	Allocation FY 2019/20	Projections		% share of total budget FY 2019/20	% share of total budget (Projections)	
				2020/21	2021/22		2020/21	2021/22
Board	Development	0		0	0	-	0.0	0.0
	Sub Total	49,565,951	36,576,060	38,404,863	40,325,106	0.3	0.3	0.3
County Assembly	Recurrent	874,978,131	867,661,683	911,044,767	956,597,006	7.0	7.0	7.0
	Development	256,508,004	274,000,000	287,700,000	302,085,000	2.2	2.2	2.2
	Sub Total	1,131,486,135	1,141,661,683	1,198,744,767	1,258,682,006	9.2	9.2	9.2
Grand Total	Recurrent	8,052,677,489	8,019,089,702	8,420,044,187	8,841,046,396	64.9	64.9	64.7
	Development	4,956,844,290	4,340,742,022	4,557,779,123	4,785,668,079	35.1	35.1	35.0
	Total	13,009,521,779	12,359,831,724	12,977,823,310	13,626,714,475	100.0	100.0	99.8

Annex 2: Recurrent Ceilings Analysis for MTEF Period 2018/19-2020/21

Department	Economic Classification	2018/19	Allocation	Projections		% share of recurrent budget	% share of recurrent budget (projections)	
		Estimates	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Agriculture, Livestock, Fisheries, Irrigation and Co-operative Development	Total Recurrent	461,501,147	333,709,239	350,394,701	367,914,436	4.2	4.2	4.2
	AIA	24,273,434	24,273,434	25,487,106	26,761,461	0.3	0.3	0.3
	NET	437,227,713	309,435,805	324,907,595	341,152,975	3.9	3.9	3.9
	Compensation to Employees	280,230,877	288,833,260	303,274,923	318,438,669	3.6	3.6	3.6
	Maintenance	15,800,800	4,500,000	4,725,000	4,961,250	0.1	0.1	0.1
	Operations	165,469,470	40,375,979	42,394,778	44,514,517	0.5	0.5	0.5
Education	Total Recurrent	1,076,641,361	1,142,252,996	1,199,365,646	1,259,333,928	14.2	14.2	14.2
	AIA	2,000,000	2,000,000	2,100,000	2,205,000	0.0	0.0	0.0
	NET	1,074,641,361	1,140,252,996	1,197,265,646	1,257,128,928	14.2	14.2	14.2
	Compensation to Employees	819,107,864	882,252,996	926,365,646	972,683,928	11.0	11.0	11.0
	Maintenance	640,000	1,000,000	1,050,000	1,102,500	0.0	0.0	0.0
	Operations	256,893,497	259,000,000	271,950,000	285,547,500	3.2	3.2	3.2
Health and Sanitation	Total Recurrent	2,996,892,384	3,054,468,867	3,207,192,310	3,367,551,926	38.1	38.1	38.1
	AIA	318,731,286	341,446,682	358,519,016	376,444,967	4.3	4.3	4.3
	NET	2,678,161,098	2,713,022,185	2,848,673,294	2,991,106,959	33.8	33.8	33.8
	Compensation to Employees	1,952,738,196	2,107,407,484	2,212,777,858	2,323,416,751	26.3	26.3	26.3
	Maintenance	629,424	1,200,000	1,260,000	1,323,000	0.0	0.0	0.0
	Grants	378,212,423	343,114,701	360,270,436	378,283,958	4.3	4.3	4.3
	Operations	665,312,341	602,746,682	632,884,016	664,528,217	7.5	7.5	7.5
Roads and Public Works	Total Recurrent	162,198,671	116,787,707	122,627,092	128,758,447	1.5	1.5	1.5
	AIA	3,675,000	3,675,000	3,858,750	4,051,688	0.0	0.0	0.0
	NET	158,523,671	113,112,707	118,768,342	124,706,759	1.4	1.4	1.4
	Compensation to Employees	81,993,456	86,787,707	91,127,092	95,683,447	1.1	1.1	1.1
	Maintenance	15,678,072	6,250,000	6,562,500	6,890,625	0.1	0.1	0.1
	Operations	64,527,143	23,750,000	24,937,500	26,184,375	0.3	0.3	0.3

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Department	Economic Classification	2018/19	Allocation	Projections		% share of recurrent budget	% share of recurrent budget (projections)	
		Estimates	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Trade, Energy and Industrialization	Total Recurrent	42,839,855	30,564,778	32,093,017	33,697,668	0.4	0.4	0.4
	AIA	-	0	0	0	0.0	0.0	0.0
	NET	42,839,855	30,564,778	32,093,017	33,697,668	0.4	0.4	0.4
	Compensation to Employees	21,226,601	17,632,319	18,513,935	19,439,632	0.2	0.2	0.2
	Maintenance	2,441,000	800,000	840,000	882,000	0.0	0.0	0.0
	Operations	19,172,254	12,132,459	12,739,082	13,376,036	0.2	0.2	0.2
Lands, Urban and Physical Planning	Total Recurrent	126,873,101	40,585,873	42,615,167	44,745,925	0.5	0.5	0.5
	AIA	5,997,236	5,997,236	6,297,098	6,611,953	0.1	0.1	0.1
	NET	120,875,865	34,588,637	36,318,069	38,133,972	0.4	0.4	0.4
	Compensation to Employees	32,470,691	30,275,179	31,788,938	33,378,385	0.4	0.4	0.4
	Maintenance	2,148,685	1,400,000	1,470,000	1,543,500	0.0	0.0	0.0
	Operations	92,253,725	8,910,694	9,356,229	9,824,040	0.1	0.1	0.1
Housing	Total Recurrent	26,479,597	18,785,883	19,725,177	20,711,436	0.2	0.2	0.2
	AIA	-	0	0	0	0.0	0.0	0.0
	NET	26,479,597	18,785,883	19,725,177	20,711,436	0.2	0.2	0.2
	Compensation to Employees	12,938,877	12,252,765	12,865,403	13,508,673	0.2	0.2	0.2
	Maintenance	1,253,290	850,000	892,500	937,125	0.0	0.0	0.0
	Operations	12,287,430	5,683,118	5,967,274	6,265,638	0.1	0.1	0.1
Kimilili Municipality	Total Recurrent		23,000,000	24,150,000	25,357,500	0.3	0.3	0.3
	AIA			0	0	0.0	0.0	0.0
	NET		23,000,000	24,150,000	25,357,500	0.3	0.3	0.3
	Compensation to Employees		0	0	0	0.0	0.0	0.0
	Maintenance			0	0	0.0	0.0	0.0
	Operations		23,000,000	24,150,000	25,357,500	0.3	0.3	0.3
Bungoma	Total Recurrent		24,200,000	25,410,000	26,680,500	0.3	0.3	0.3

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Department	Economic Classification	2018/19	Allocation	Projections		% share of recurrent budget	% share of recurrent budget (projections)	
		Estimates	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Municipality	AIA			0	0	0.0	0.0	0.0
	NET		24,200,000	25,410,000	26,680,500	0.3	0.3	0.3
	Compensation to Employees		0	0	0	0.0	0.0	0.0
	Maintenance			0	0	0.0	0.0	0.0
	Operations		24,200,000	25,410,000	26,680,500	0.3	0.3	0.3
Tourism and Environment	Total Recurrent	109,388,449	138,716,261	145,652,074	152,934,678	1.7	1.7	1.7
	AIA	1,155,000	1,155,000	1,212,750	1,273,388	0.0	0.0	0.0
	NET	108,233,449	137,561,261	144,439,324	151,661,290	1.7	1.7	1.7
	Compensation to Employees	26,040,159	28,716,261	30,152,074	31,659,678	0.4	0.4	0.4
	Maintenance	1,700,000	800,000	840,000	882,000	0.0	0.0	0.0
	Operations	81,648,290	109,200,000	114,660,000	120,393,000	1.4	1.4	1.4
Water and Natural Resources	Total Recurrent	54,766,999	39,515,764	41,491,552	43,566,130	0.5	0.5	0.5
	AIA	-	0	0	0	0.0	0.0	0.0
	NET	54,766,999	39,515,764	41,491,552	43,566,130	0.5	0.5	0.5
	Compensation to Employees	40,477,628	29,515,764	30,991,552	32,541,130	0.4	0.4	0.4
	Maintenance	2,200,000	1,000,000	1,050,000	1,102,500	0.0	0.0	0.0
	Operations	12,089,371	9,000,000	9,450,000	9,922,500	0.1	0.1	0.1
Gender and Culture	Total Recurrent	121,642,706	54,673,226	57,406,887	60,277,232	0.7	0.7	0.7
	AIA	-	0	0	0	0.0	0.0	0.0
	NET	121,642,706	54,673,226	57,406,887	60,277,232	0.7	0.7	0.7
	Compensation to Employees	47,357,237	44,673,226	46,906,888	49,252,232	0.6	0.6	0.6
	Maintenance	400,000	400,000	420,000	441,000	0.0	0.0	0.0
	Operations	73,885,469	9,600,000	10,080,000	10,584,000	0.1	0.1	0.1
Youths and Sports	Total Recurrent		10,000,000	10,500,000	11,025,000	0.1	0.1	0.1

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Department	Economic Classification	2018/19	Allocation	Projections		% share of recurrent budget	% share of recurrent budget (projections)	
		Estimates	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
	AIA			0	0	0.0	0.0	0.0
	NET		10,000,000	10,500,000	11,025,000	0.1	0.1	0.1
	Compensation to Employees		0	0	0	0.0	0.0	0.0
	Maintenance		500,000	525,000	551,250	0.0	0.0	0.0
	Operations		9,500,000	9,975,000	10,473,750	0.1	0.1	0.1
Finance and Economic Planning	Total Recurrent	969,622,375	1,258,873,005	1,321,816,655	1,387,907,488	15.7	15.7	15.7
	AIA	-		0	0	0.0	0.0	0.0
	NET	969,622,375	1,258,873,005	1,321,816,655	1,387,907,488	15.7	15.7	15.7
	Compensation to Employees	450,075,460	869,335,930	912,802,727	958,442,863	10.8	10.8	10.8
	Maintenance	20,770,000	10,000,000	10,500,000	11,025,000	0.1	0.1	0.1
Operations	498,776,915	379,537,075	398,513,929	418,439,625	4.7	4.7	4.7	
Public Service Management and Administration and devolved administration units	Total Recurrent	444,839,292	317,297,417	333,162,288	349,820,402	4.0	4.0	4.0
	AIA	-	0	0	0	0.0	0.0	0.0
	NET	444,839,292	317,297,417	333,162,288	349,820,402	4.0	4.0	4.0
	Compensation to Employees	297,726,068	247,762,014	260,150,115	273,157,620	3.1	3.1	3.1
	Maintenance	3,800,000	1,500,000	1,575,000	1,653,750	0.0	0.0	0.0
Operations	143,313,224	68,035,403	71,437,173	75,009,032	0.8	0.8	0.8	
Office of the County Secretary	Total Recurrent	98,169,203	142,329,310	149,445,776	156,918,064	1.8	1.8	1.8
	AIA	-	0	0	0	0.0	0.0	0.0
	NET	98,169,203	142,329,310	149,445,776	156,918,064	1.8	1.8	1.8
	Compensation to Employees	-	0	0	0	0.0	0.0	0.0
	Maintenance	1,380,000	850,000	892,500	937,125	0.0	0.0	0.0
Operations	96,789,203	141,479,310	148,553,276	155,980,939	1.8	1.8	1.8	
Governor's Office	Total Recurrent	402,885,029	338,391,200	355,310,760	373,076,298	4.2	4.2	4.2

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Department	Economic Classification	2018/19	Allocation	Projections		% share of recurrent budget	% share of recurrent budget (projections)	
		Estimates	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
	AIA	-	0	0	0	0.0	0.0	0.0
	NET	402,885,029	338,391,200	355,310,760	373,076,298	4.2	4.2	4.2
	Compensation to Employees	268,692,805	258,391,200	271,310,760	284,876,298	3.2	3.2	3.2
	Maintenance	7,220,000	3,500,000	3,675,000	3,858,750	0.0	0.0	0.0
	Operations	126,972,224	76,500,000	80,325,000	84,341,250	1.0	1.0	1.0
Deputy Governor's Office	Total Recurrent	39,530,969	30,700,433	32,235,455	33,847,227	0.4	0.4	0.4
	AIA	-	0	0	0	0.0	0.0	0.0
	NET	39,530,969	30,700,433	32,235,455	33,847,227	0.4	0.4	0.4
	Compensation to Employees	-	0	0	0	0.0	0.0	0.0
	Maintenance	1,941,000	1,200,000	1,260,000	1,323,000	0.0	0.0	0.0
	Operations	37,589,969	29,500,433	30,975,455	32,524,227	0.4	0.4	0.4
County Public Service Board	Total Recurrent	49,844,951	36,576,060	38,404,863	40,325,106	0.5	0.5	0.5
	AIA	-	0	0	0	0.0	0.0	0.0
	NET	49,844,951	36,576,060	38,404,863	40,325,106	0.5	0.5	0.5
	Compensation to Employees	13,681,749	15,832,886	16,624,530	17,455,757	0.2	0.2	0.2
	Maintenance	1,000,000	1,000,000	1,050,000	1,102,500	0.0	0.0	0.0
	Operations	35,163,202	19,743,174	20,730,333	21,766,849	0.2	0.2	0.2
County Assembly	Total Recurrent	874,978,131	867,661,683	911,044,767	956,597,006	10.8	10.8	10.8
	AIA	-	0	0	0	0.0	0.0	0.0
	NET	874,978,131	867,661,683	911,044,767	956,597,006	10.8	10.8	10.8
	Compensation to Employees	333,411,062	350,081,615	367,585,696	385,964,981	4.4	4.4	4.4
	Maintenance	6,900,000	6,900,000	7,245,000	7,607,250	0.1	0.1	0.1
	Operations	534,667,069	510,680,068	536,214,071	563,024,775	6.4	6.4	6.4

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Department	Economic Classification	2018/19	Allocation	Projections		% share of recurrent budget	% share of recurrent budget (projections)	
		Estimates	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
Grand Total	Total Recurrent	8,059,094,220	8,019,089,702	8,420,044,187	8,841,046,396	100.0	100.0	100.0
	AIA	355,831,956	378,547,352	397,474,720	417,348,456	4.7	4.7	4.7
	NET	7,703,262,264	7,640,542,350	8,022,569,468	8,423,697,941	95.3	95.3	95.3
	Compensation to Employees	4,678,168,730	5,269,750,605	5,533,238,136	5,809,900,042	65.7	65.7	65.7
	Maintenance	85,902,271	43,650,000	45,832,500	48,124,125	0.5	0.5	0.5
	Operations	2,916,810,796	2,705,689,097	2,840,973,551	2,983,022,229	33.7	33.7	33.7

NB: Salaries for FY 2019/20 is at **Kshs.** 5,269,750,605. This represents 43% of total county budget.

Annex 3: Indicative ceiling of Expenditure by programme for FY 2017/18 – FY 2020/21

Recurrent Allocation

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Agriculture, Livestock, Fisheries, Irrigation and Co-operative Development					
Personnel emoluments	280,699,597	288,833,260	288,833,260	303,274,923	318,438,669
Administrative and support Services	18,870,890	75,483,560	6,450,000	6,772,500	7,111,125
Policy, legal and regulatory frameworks	7,760,000	38,800,000	5,600,000	5,880,000	6,174,000
Planning and financial management	6,600,000	33,000,000	3,000,000	3,150,000	3,307,500
Sector Coordination	4,000,000	20,000,000	3,000,000	3,150,000	3,307,500
Agricultural extension services/Agricultural advisory services	14,760,800	73,804,000	8,000,000	8,400,000	8,820,000
Livestock extension services	12,560,890	62,804,450	6,000,000	6,300,000	6,615,000
Fisheries Extension services	5,600,000	28,000,000	4,350,029	4,567,530	4,795,907
Cooperatives Audit services	4,000,000	20,000,000	2,000,000	2,100,000	2,205,000
Cooperative extension services	6,600,000	33,000,000	2,500,000	2,625,000	2,756,250
Leadership and Governance	7,780,000	38,900,000	0	-	-
Sub-county administrative services	31,780,000	63,560,000	3,975,950	4,174,748	4,383,485
Institutional Support	30,123,430	150,617,150	0	-	-
Sub Total	461,412,637	926,802,420	333,709,239	350,394,701	367,914,436
Education					
Salaries and allowance	819,107,864	929,671,660	882,252,996	926,365,646	972,683,928
Planning and policy formulation	2,034,906	3,286,650	2,000,000	2,100,000	2,205,000
Monitoring and evaluation	1,677,407	1,671,267	1,000,000	1,050,000	1,102,500
Promotion of Good Governance	1,000,000	3,150,000	1,000,000	1,050,000	1,102,500

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Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Support services	5,650,230	6,432,740	2,000,000	2,100,000	2,205,000
Curriculum implementation and support	2,980,150	6,779,156	1,000,000	1,050,000	1,102,500
Health and Nutrition	9,250,000	9,712,500	5,000,000	5,250,000	5,512,500
Learning materials	4,813,703	5,054,387	1,500,000	1,575,000	1,653,750
Capacity building of staff	900,000	2,000,000	1,000,000	1,050,000	1,102,500
Assessment of Curriculum implementation	5,196,030	6,955,832	1,500,000	1,575,000	1,653,750
Promotion of Governance	1,500,000	1,753,000	1,000,000	1,050,000	1,102,500
Integration of ICT in Vocational Training	1,500,000	2,675,000	2,000,000	2,100,000	2,205,000
Capacity building of staff	900,000	2,000,000	1,000,000	1,050,000	1,102,500
Bursary Scheme	190,000,000	400,000,000	180,000,000	189,000,000	198,450,000
Scholarship		100,000,000	60,000,000	63,000,000	66,150,000
Sub Total	1,046,510,290	1,481,142,192	1,142,252,996	1,199,365,646	1,259,333,928
Health and Sanitation					
Health					
Personnel emoluments	1,952,738,196	2,107,407,484	2,107,407,484	2,212,777,858	2,323,416,751
Drugs	177,504,000	300,000,000	110,000,000	115,500,000	121,275,000
Non-pharmaceuticals	116,700,000	250,000,000	80,000,000	84,000,000	88,200,000
Food and rations	38,500,000	120,000,000	30,000,000	31,500,000	33,075,000
Bedding and linen	13,236,200	30,000,000	5,000,000	5,250,000	5,512,500
X-ray supplies and lab materials	23,664,814	39,000,000	10,000,000	10,500,000	11,025,000
Grants	462,199,752	500,000,000	343,114,701	360,270,436	378,283,958
Health facilities – all county health facilities	334,667,850	600,000,000	341,446,682	358,519,016	376,444,967
Administration support services	42,526,324	82,000,000	25,000,000	26,250,000	27,562,500
Sub Total	2,985,676,059	4,028,407,484	3,051,968,867	3,204,567,310	3,364,795,676
Sanitation					
Administration support services	2,155,109	5,000,000	2,500,000	2,625,000	2,756,250

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Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Sub Total	2,155,109	5,000,000	2,500,000	2,625,000	2,756,250
Roads and Public Works					
Personnel Emoluments	81,993,456	90,192,801	86,787,707	91,127,092	95,683,447
Training and Development	5,160,000	5,676,000	2,000,000	2,100,000	2,205,000
Administration support services	70,357,473	85,250,000	4,900,000	5,145,000	5,402,250
Fuel, oil and lubricants	20,185,900	25,000,000	15,000,000	15,750,000	16,537,500
Plant insurance	8,166,842	8,100,000	8,100,000	8,505,000	8,930,250
Sub Total	185,863,671	214,218,801	116,787,707	122,627,092	128,758,447
Trade, Energy and Industrialization					
Salaries and Emoluments	21,226,601	30,500,000	17,632,319	18,513,935	19,439,632
Planning	2,000,000	5,000,000	2,000,000	2,100,000	2,205,000
Formulation of Policies, bills and legal notices	3,000,000	15,000,000	2,000,000	2,100,000	2,205,000
Staff Training and Development	5,000,000	10,000,000	2,000,000	2,100,000	2,205,000
General administration	14,183,578	40,500,000	6,932,459	7,279,082	7,643,036
Sub Total	45,410,179	101,000,000	30,564,778	32,093,017	33,697,668
Lands, Urban, Physical Planning and Housing					
Lands, Urban and Physical Planning					
Compensation to Employees	32,470,711	30,275,179	30,275,179	31,788,938	33,378,385
Administration, planning and support services	33,449,010	45,449,010	8,810,694	9,251,229	9,713,790
Human Development and Management	2,100,000	6,500,000	1,500,000	1,575,000	1,653,750
Commissioning of GIS Lab	0	6,000,000	0	-	-
Creation of GIS Database for Leasehold and Freehold Properties	0	12,000,000	0	-	-
Sub Total	111,873,101	215,398,007	40,585,873	42,615,167	44,745,925

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Housing					
Compensation to Employees	12,938,877	17,950,000	12,252,765	12,865,403	13,508,673
Administrative Services	12,287,430	29,305,000	5,533,118	5,809,774	6,100,263
Human Resource Development	1,253,290	8,500,000	1,000,000	1,050,000	1,102,500
Total	26,479,597	55,755,000	18,785,883	19,725,177	20,711,436
Municipal Boards					
Kimilili Municipal board					
Administration support services	0	25,000,000	3,000,000	3,150,000	3,307,500
UIGS - Grant	0	50,000,000	20,000,000	21,000,000	22,050,000
Sub Total	0	75,000,000	23,000,000	24,150,000	25,357,500
Bungoma Municipal board					
Administration support services	0	25,000,000	3,000,000	3,150,000	3,307,500
UIGS - Grant	0	50,000,000	21,200,000	22,260,000	23,373,000
Sub Total	0	75,000,000	24,200,000	25,410,000	26,680,500
Tourism, Environment, Water and Natural Resources					
Tourism and Environment					
Salaries	26,040,159	36,040,159	28,716,261	30,152,074	31,659,678
Staff training and capacity building	1,700,000	9,162,662	2,000,000	2,100,000	2,205,000
Administration services	29,871,000	24,126,000	8,000,000	8,400,000	8,820,000
Garbage collection	80,493,290	134,508,212	100,000,000	105,000,000	110,250,000
Sub total	138,104,449	203,837,033	138,716,261	145,652,074	152,934,678
Water and Natural Resources					
Salaries	40,477,628	29,515,764	29,515,764	30,991,552	32,541,130
Staff training and capacity building	3,620,000	9,162,662	3,500,000	3,675,000	3,858,750
Administration services	10,669,371	17,508,212	6,500,000	6,825,000	7,166,250
Sub total	54,766,999	56,186,638	39,515,764	41,491,552	43,566,130

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocations	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Gender, Culture, Youths and Sports					
Gender and Culture					
Personnel emoluments – Both gender, culture, youth and sports	29,298,270	44,673,226	44,673,226	46,906,887	49,252,232
Administrative services	16,000,000	34,000,000	5,000,000	5,250,000	5,512,500
Policy formulation and review	1,000,000	5,000,000	1,000,000	1,050,000	1,102,500
planning	2,000,000	5,500,000	1,000,000	1,050,000	1,102,500
Support services	10,112,123	40,355,958	3,000,000	3,150,000	3,307,500
Sub Total	58,410,393	129,529,184	54,673,226	57,406,887	60,277,232
Youth and Sports					
Administrative services	10,000,000	27,000,000	5,000,000	5,250,000	5,512,500
Policy formulation and review	1,000,000	5,000,000	1,000,000	1,050,000	1,102,500
planning	2,720,000	3,000,000	1,000,000	1,050,000	1,102,500
Support services	12,000,000	27,000,000	3,000,000	3,150,000	3,307,500
Sub Total	45,720,000	62,000,000	10,000,000	10,500,000	11,025,000
Finance and Economic Planning					
Staff salaries	450,075,460	471,979,688	529,826,091	556,317,396	584,133,265
Employer Contribution for staff Pension – all County departments		679,019,678	339,509,839	356,485,331	374,309,597
Emergency Fund	100,000,000	261,994,668	100,000,000	105,000,000	110,250,000
Regional Bank	10,000,000	50,000,000	50,000,000	52,500,000	55,125,000
Administration services	264,546,914	265,005,332	94,537,075	99,263,929	104,227,125
County Staff development and training	51,000,000	52,000,000	30,000,000	31,500,000	33,075,000
Participatory Monitoring and Evaluation	8,000,000	11,000,000	4,000,000	4,200,000	4,410,000
Public participation and formulation of the budget	17,000,000	20,000,000	18,000,000	18,900,000	19,845,000
Budget tracking	5,000,000	6,000,000	5,000,000	5,250,000	5,512,500
Printing of Long Term Plan		2,000,000	2,000,000	2,100,000	2,205,000
Printing of CIDP	7,000,000	9,000,000	9,000,000	9,450,000	9,922,500

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Strategic plan		4,000,000	2,000,000	2,100,000	2,205,000
Purchase of Motor vehicle (Budget & Planning Unit, M&E)		12,000,000	12,000,000	12,600,000	13,230,000
Conducting quarterly risk assessment in MDAs		7,000,000	5,000,000	5,250,000	5,512,500
Enforcement of revenue collection	5,000,000	10,000,000	5,000,000	5,250,000	5,512,500
Maintenance of computer, software and Networks-Automation revenue system	12,000,000	20,000,000	12,000,000	12,600,000	13,230,000
Medical Insurance	30,000,000	70,000,000	30,000,000	31,500,000	33,075,000
Coordination of Development Planning.	5,000,000	7,000,000	5,000,000	5,250,000	5,512,500
Documentation and information centres.	5,000,000	7,000,000	6,000,000	6,300,000	6,615,000
Sub Total	969,622,374	1,934,999,366	1,258,873,005	1,321,816,655	1,387,907,488
Public Service Management and Administration					
Employee emoluments	297,726,068	312,612,371	247,762,014	260,150,115	273,157,620
Administrative costs - insurance, rental of M/V, travel costs, utilities, communication, printing, office supplies, fuel, office furniture	66,901,888	92,400,000	10,328,771	10,845,210	11,387,470
Rent for devolved units	3,888,000	12,384,000	3,206,632	3,366,964	3,535,312
Civic education	10,000,000	30,000,000	6,000,000	6,300,000	6,615,000
Uniforms	3,790,900	9,200,000	2,000,000	2,100,000	2,205,000
Contracted Guards and Cleaning Services	41,000,000	82,500,000	35,000,000	36,750,000	38,587,500
Maintenance expenses	3,800,000	5,000,000	1,800,000	1,890,000	1,984,500
Training and development	7,059,000	14,000,000	1,200,000	1,260,000	1,323,000
Sub Total	434,165,856	543,210,068	307,297,417	322,662,288	338,795,402

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Devolved Administrative Units					
Sub County and ward administration support activities	10,673,436	20,520,000	10,000,000	10,500,000	11,025,000
Village units administration support services	-	28,320,000	-	-	-
Sub - Total	10,673,436	48,840,000	10,000,000	10,500,000	11,025,000
Office of County Secretary					
Employee emoluments	-	-	-	-	-
Kenya Devolution Support Programme (KDSP) – Plus B/F	74,742,386	58,329,310	58,329,310	61,245,776	64,308,064
Administrative costs -Legal fees, insurance, travel costs, utilities, communication, printing, office supplies, fuel, office furniture	19,937,677	78,200,000	8,000,000	8,400,000	8,820,000
Medical cover	64,000,000	64,000,000	64,000,000	67,200,000	70,560,000
Legal fees	35,000,000	50,000,000	10,000,000	10,500,000	11,025,000
Training and development	2,109,140	6,700,000	1,000,000	1,050,000	1,102,500
Maintenance expenses	1,380,000	2,400,000	1,000,000	1,050,000	1,102,500
Sub- Total	162,169,203	195,629,310	142,329,310	149,445,776	156,918,064
Governor's Office					
Employee emoluments	268,692,805	258,391,200	258,391,200	271,310,760	284,876,298
Administrative costs -Legal fees, insurance, travel costs, utilities, communication, printing, office supplies, fuel, office furniture, hospitality, committee and boards	102,800,578	144,000,000	49,818,861	52,309,804	54,925,294

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Subscription to Council of Governors	10,000,000	10,000,000	11,000,000	11,550,000	12,127,500
Training and development	7,171,646	12,500,000	7,961,139	8,359,196	8,777,156
Maintenance expenses	7,220,000	9,450,000	7,220,000	7,581,000	7,960,050
Prefeasibility/ Research	7,000,000	12,000,000	4,000,000	4,200,000	4,410,000
Sub- Total	402,885,029	470,077,445	338,391,200	355,310,760	373,076,298
Deputy Governor's Office					
Employee emoluments	-	-	-	-	-
Administrative costs -Legal fees, insurance, travel costs, utilities, communication, printing, office supplies, fuel, office furniture, hospitality, committee and boards	32,104,800	62,000,000	23,472,433	24,646,055	25,878,357
Training and development	3,378,200	5,700,000	3,600,000	3,780,000	3,969,000
Maintenance expenses	1,941,000	2,500,000	1,928,000	2,024,400	2,125,620
Prefeasibility/ Research	2,106,969	6,000,000	1,700,000	1,785,000	1,874,250
Sub- Total	39,530,969	76,200,000	30,700,433	32,235,455	33,847,227
County Public Service Board					
Employee emoluments	13,681,749	15,832,886	15,832,886	16,624,530	17,455,757
Office operations costs – office supplies, traveling,	26,065,495	47,587,291	10,645,467	11,177,740	11,736,627
Training expenses	4,809,131	8,618,262	4,809,131	5,049,588	5,302,067
Hospitality Supplies and Services	4,488,576	8,977,152	4,488,576	4,713,005	4,948,655
Purchase of Office Furniture and General Equipment	800,000	4,800,000	800,000	840,000	882,000

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Total	49,844,951	85,815,591	36,576,060	38,404,863	40,325,106
County Assembly					
Personnel emoluments	311,934,152	350,081,615	350,081,615	367,585,696	385,964,981
General Administration and Planning, and Support Services	167,633,095	258,463,994	233,957,679	245,655,563	257,938,341
Legislation	40,000,000	42,000,000	42,000,000	44,100,000	46,305,000
Oversight (Committee fact-finding , budget interrogation, expenditure, report writing retreats	174,783,119	172,876,853	165,202,834	173,462,976	182,136,124
Representation and other outreach services(ward office operationalized and through the various petitions)	80,627,765	84,659,153	76,419,555	80,240,533	84,252,559
Sub Total	874,978,131	908,081,615	867,661,683	911,044,767	956,597,006

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Development Allocation

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Agriculture, Livestock, Fisheries, Irrigation and Co-operative Development					
Dairy processing plant	57,444,100	128,000,000	71,000,000	74,550,000	78,277,500
Milk coolers	0	35,000,000	15,000,000	15,750,000	16,537,500
Coffee value chain		50,000,000	30,000,000	31,500,000	33,075,000
Grants – World bank - NARIGP		500,000,000	350,000,000	367,500,000	385,875,000
Asdsp 11- Grant		10,000,000	5,500,000	5,775,000	6,063,750
Crop product value chain development/Food security initiatives – fertilizer (122 million)	138,149,474	693,600,000	137,865,839	144,759,120	151,997,076
Ward based projects - CEF	7,610,224	8,500,000	3,805,112	3,995,368	4,195,136
Infrastructural Development	4,000,000	28,000,000	-	-	-
Agricultural extension services/Agricultural advisory services	-	30,000,000	-	-	-
Soil Conservation and Management	-	20,000,000	-	-	-
Agricultural Value Addition and Agro Processing	-	433,000,000	-	-	-
Promotion and Development of Irrigation Technologies	-	7,000,000	-	-	-
Development of Irrigation Infrastructure	-	883,000,000	-	-	-
Agricultural Water Storage and Management	-	45,000,000	-	-	-
Livestock Value Chain Development/Value addition and marketing	197,829,472	73,000,000	20,000,000	21,000,000	22,050,000
Information/Data Management Services	-	15,000,000	-	-	-
Animal Breeding	10,000,000	30,000,000	-	-	-
Food safety and quality control	-	23,000,000	-	-	-
Leather development	-	40,000,000	-	-	-
Aquaculture development	2,000,000	56,000,000	-	-	-

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates	Requirements	Allocation	Projected Estimates	
	2018/19		2019/20	2020/21	2021/22
/Fisheries Extension service					
Cooperative Societies Infrastructural Support	15,500,000	196,000,000	-	-	-
Cooperative Societies Input Support	5,500,000	79,000,000	-	-	-
Mabanga Agricultural Training Centre	33,000,000	309,500,000	-	-	-
Mabanga Agricultural Mechanization Centre	7,714,000	321,200,000	-	-	-
National Agricultural and Rural Inclusive Growth Programme	146,914,000	360,000,000	-	-	-
Agriculture Sector Development Support Programme(ASDSP)	5,500,000	5,500,000	-	-	-
Sub Total	574,631,946	3,722,500,000	633,170,951	664,829,488	698,070,962
Education					
CEF	333,873,575	333,873,575	166,936,788	175,283,627	184,047,809
Infrastructure Development (VTC donor fund)	65,500,000	182,267,125	65,500,000	68,775,000	72,213,750
Centres of excellence	0	150,000,000	30,000,000	31,500,000	33,075,000
Sub Total	399,373,575	666,140,700	262,436,788	275,558,627	289,336,559
Health and Sanitation					
Health					
Purchase of Medical and Dental Equipment	20,000,000	250,000,000	0	-	-
Purchase of Generators	8,000,000	45,000,000	0	-	-
Refurbishment of Non-Residential Buildings	4,113,601	100,000,000.00	0	-	-
Construction of Bungoma referral and Sirisia wards	25,000,000	400,000,000	100,000,000	105,000,000	110,250,000
ward based Projects - CEF Projects	175,272,653	175,272,653	87,636,327	92,018,143	96,619,051
Sub Total	378,212,423	3,145,272,653	187,636,327	197,018,143	206,869,051
Sanitation					
ward based Projects - CEF Projects	26,226,224	30,250,000	13,113,112	13,768,768	14,457,206

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Sanitation services	14,600,000	42,500,000	-	-	-
Sub Total	40,826,224	72,750,000	13,113,112	13,768,768	14,457,206
Roads and Public Works					
Dual carriage	70,000,000	641,221,488	300,958,376	316,006,295	331,806,610
Brigadier Misikhu	150,000,000	594,000,000	100,000,000	105,000,000	110,250,000
Ward Roads	533,262,105	802,000,000	266,631,053	279,962,606	293,960,736
Bumula – Mateka rd	70,000,000	225,000,000	160,000,000	168,000,000	176,400,000
Drainage works & Bridges	86,400,000	238,000,000	45,000,000	47,250,000	49,612,500
Purchase of land	0	40,000,000	5,000,000	5,250,000	5,512,500
Roads Maintenance Fuel Levy	474,748,805	650,000,000	235,000,000	246,750,000	259,087,500
Mechanical Transport Fund	136,325,000	180,000,000	116,325,000	122,141,250	128,248,313
Overhead footbridge at Chepkube, Kanduyi and Kibabii	-	100,000,000	-	-	-
Fire fighting	10,000,000	90,000,000	-	-	-
Public safety and transport operations		62,000,000	-	-	-
Building standards		5,000,000	-	-	-
Public Works		40,000,000	-	-	-
Sub Total	1,530,735,910	3,667,221,488	1,228,914,429	1,290,360,150	1,354,878,158
Trade, Energy and Industrialization					
Business development services	14,000,000	16,000,000	0	-	-
Street Lights	10,340,637	50,000,000	24,000,000	25,200,000	26,460,000
Chwele agribusiness	-	200,000,000	50,000,000	52,500,000	55,125,000
Market infrastructure	45,462,375	185,000,000	50,000,000	52,500,000	55,125,000
Industrial park	45,000,000	50,000,000	20,000,000	21,000,000	22,050,000
Trade and Enterprise Development	8,430,000	110,000,000	0	-	-
Ward based projects - CEF	66,535,210	102,550,000	41,892,540	43,987,167	46,186,525
Sub Total	189,768,222	713,550,000	185,892,540	195,187,167	204,946,525
Lands, Urban, Physical Planning and Housing					
Lands, Urban and Physical Planning					
Acquisition of lands	15,000,000	100,000,000	0	-	-
Procuring and Installation of Real Time Kinematics (RTK)	3,230,000	12,000,000	0	-	-

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Processing of tittle deeds	7,500,000	10,500,000	0	-	-
Renovation and Extension of Survey Office	0	10,000,000	0	-	-
Installation of GIS Lab	10,500,000	10,000,000	5,000,000	5,250,000	5,512,500
Ward based projects	33,719,673	40,719,673	31,594,837	33,174,579	34,833,308
Securing public land	-	200,000,000	4,000,000	4,200,000	4,410,000
Valuation Roll (Chwele and Kapsokwony)	0	20,000,000	15,000,000	15,750,000	16,537,500
Development/Physical Planning in 10 centres	0	100,000,000	25,000,000	26,250,000	27,562,500
Control of Storm Water in Bungoma town	0	50,000,000	0	-	-
Total	69,949,673	553,219,673	80,594,837	84,624,579	88,855,808
Housing					
Renovation and refurbishment of county residential houses	13,416,977	50,000,000	8,000,000	8,400,000	8,820,000
Security fencing of county residential estates with ceder posts and chain link/Perimeter wall	4,400,000	18,000,000	2,000,000	2,100,000	2,205,000
Construction of county residential houses and affirmative action houses for the needy 2 per ward	-	250,000,000	-	-	-
Valuation of county residential houses	-	-	-	-	-
Construction of county HQ offices	-	200,000,000	-	-	-
Construction and Equipping of Appropriate Building Technologies (ABT) Centers.	-	13,200,000	-	-	-
Total	17,816,977	531,200,000	10,000,000	10,500,000	11,025,000
Municipal Boards					

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
Kimili					
KUSPG	200,000,000	400,000,000	200,000,000	210,000,000	220,500,000
Office block	-	30,000,000	20,000,000	21,000,000	22,050,000
Sub Total	200,000,000	430,000,000	220,000,000	231,000,000	242,550,000
Bungoma					
KUSPG	100,977,100	300,000,000	100,977,100	106,025,955	111,327,253
Office block	-	30,000,000	20,000,000	21,000,000	22,050,000
Sub Total	100,977,100	330,000,000	120,977,100	127,025,955	133,377,253
Tourism, Environment, Water and Natural Resources					
Tourism and Environment					
3 in 1 garbage bins	1,200,000	10,000,000	-	-	-
Dumpsite development and management services	0	50,000,000	-	-	-
Opening and cleaning of drainages and culverts	11,000,000	11,550,000	-	-	-
Recreation and Urban landscaping, beautification services	-	4,508,338	-	-	-
River cleaning and rehabilitation of riparian sites	-	5,250,000	-	-	-
Rural and cultural tourism services		15,750,000	-	-	-
Tourist circuit marketing and management	2,500,000	5,250,000	-	-	-
Tourist product identification and development		30,500,000	10,000,000	10,500,000	11,025,000
Sub Total	83,116,148	248,808,338	10,000,000	10,500,000	11,025,000
Water and Natural Resources					
Water services provision – Water infrastructure in Sirisia and Bumula sub county	-	210,000,000	160,000,000	168,000,000	176,400,000
Water infrastructure – other water projects	141,099,729	103,999,428	50,000,000	52,500,000	55,125,000
Infrastructure\	243,619,782	350,700,000	153,390,233	161,059,745	169,112,732

BUNGOMA COUNTY FISCAL STRATEGY PAPER 2019

Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
development(CEF)					
Water towers protection – Grant	80,000,000	80,000,000	80,000,000	84,000,000	88,200,000
Sub Total	464,719,511	744,699,428	443,390,233	465,559,745	488,837,732
Gender, Culture, Youths and Sports					
Gender and Culture					
Funds- Women, Youth and disability	40,000,000	80,000,000	20,000,000	21,000,000	22,050,000
Sub Total	40,000,000	80,000,000	20,000,000	21,000,000	22,050,000
Youth and Sports					
Construction of Masinde Muliro stadium-Kanduyi	83,540,393	320,000,000	119,016,248	124,967,060	131,215,413
Construction of stadia – Nalondo and Kimilili		50,000,000	20,000,000	21,000,000	22,050,000
Sub Total	83,540,393	370,000,000	139,016,248	145,967,060	153,265,413
Finance and Economic Planning					
Construction of office block	27,391,981	120,000,000	79,099,459	83,054,432	87,207,154
Sub Total	27,391,981	120,000,000	79,099,459	83,054,432	87,207,154
Public Service Management and Administration					
Construction of ward admin offices	43,172,867	72,000,000	27,500,000	28,875,000	30,318,750
Construction of sub county admin offices	-	24,000,000	-	-	-
Huduma/ information centres	-	30,000,000	-	-	-
Governor’s and deputy governor’s official residence	-	70,000,000	20,000,000	21,000,000	22,050,000
Sub- Total	43,172,867	196,000,000	47,500,000	49,875,000	52,368,750
County Secretary					
ICT hub	-	100,000,000	-	-	-
Data centre	-	10,000,000	6,329,756	6,646,244	6,978,556
Local Area Network installed in HQ offices	33,100,000	5,000,000	4,000,000	4,200,000	4,410,000
Wide Area Network installed in 9 sub county offices	-	10,000,000	6,000,000	6,300,000	6,615,000
Percentage of offices	-	3,000,000	1,000,000	1,050,000	1,102,500

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Sub-Programmes	Printed Estimates 2018/19	Requirements	Allocation	Projected Estimates	
		2019/20	2019/20	2020/21	2021/22
installed with CCTV in county HQ					
Installation of big screen	-	5,000,000	2,000,000	2,100,000	2,205,000
Bulk messaging services	-	3,000,000	3,000,000	3,150,000	3,307,500
Biometric system of identification	-	10,000,000	4,670,244	4,903,756	5,148,944
Project management system	-	25,000,000	-	-	-
Bursary management system	-	5,000,000	-	-	-
Hospital management information system	-	20,000,000	-	-	-
Information records management system	-	5,000,000	2,000,000	2,100,000	2,205,000
Human resource information management system	-	5,000,000	2,000,000	2,100,000	2,205,000
Fleet management system	-	25,000,000	4,000,000	4,200,000	4,410,000
Kenya devolution support programme – Development		500,000,000	350,000,000	367,500,000	385,875,000
Sub Total	33,100,000	731,000,000	385,000,000	404,250,000	424,462,500
County Assembly					
General Infrastructural Development	249,600,029	274,000,000	274,000,000	287,700,000	302,085,000
Sub Total	249,600,029	274,000,000	274,000,000	287,700,000	302,085,000

Annex 4: Sector Priorities

Sub sector	Name of Programme	Development Project	Estimated Cost	
AGRICULTURE, RURAL AND URBAN DEVELOPMENT				
Agriculture	Crop development and management	Establishment of Chwele Agribusiness Zone – Modernization of Chwele Market	200,000,000.00	
		Farm Input Support - Fertilizer and Seed, Crop protection chemicals	320,000,000.00	
		Promotion of cassava production	10,000,000.00	
		Promotion of sweet potato production	10,000,000.00	
		Promotion of sorghum production	8,000,000.00	
		Establishment of tea nurseries	7,000,000.00	
		Integrated Information Management System/E-extension system	5,000,000.00	
		Development of ASK Show Ground in Sang'alo	14,000,000.00	
		Development of small holder Irrigation Projects	75,000,000.00	
		Rehabilitation of small dams	14,000,000.00	
		Promotion of drip irrigation	7,000,000.00	
	Institutional development and management:	Mabanga ATC		
		Development and stocking of farm structures and demonstration plots for various crops	16,500,000.00	
		Construction/rehabilitation of school buildings, houses and other related infrastructure	17,890,000.00	
		Construction of a perimeter fence for the institution	20,000,000.00	
		Development of water piping system	7,500,000.00	
		Development of roads and a parking bay at the institution	15,000,000.00	
		Installation of security lights at the institution	9,000,000.00	
		Equipping of the institution - Kitchen, hostels, classrooms, office	13,500,000.00	
		Purchase of Farm Machinery and implements	15,000,000.00	

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Sub sector	Name of Programme	Development Project	Estimated Cost
		Purchase of Institutional Bus	15,000,000.00
		Agricultural Mechanization Centre (AMC)	
		Purchase of agricultural machinery i.e tractors, tractor implements, Other machinery	75,000,000.00
		Construction of Workshop and Machinery Shed	18,000,000.00
		Upgrading of Mobile soil testing laboratory	15,000,000.00
		Purchase of soil testing and analysis scanners	7,000,000.00
		Chwele Fish Farm	
		Stocking of Fish ponds	19,500,000.00
		Rehabilitation of ponds	12,500,000.00
		Construction of catering facility, hostel and training hall	45,000,000.00
		Equipping of the institution	13,500,000.00
		Construction of ablution block	6,500,000.00
Livestock	Livestock development and management	Operationalization of Chwele Chicken Slaughter House - operationalize the factory, Poultry input support	45,000,000.00
		Establishment of a Milk processing plant	198,000,000.00
		Renovation of Cooler Houses and Installation of coolers	12,000,000.00
		Renovation of Community Cattle Dips	18,000,000.00
		Construction/Rehabilitation of slaughterhouses and slaughter slubs	28,000,000.00
		Renovation of Auction Rings across the County	45,000,000.00
		AI Subsidy Programme	10,000,000.00
		Establishment of AI Centre in Mabanga ATC	15,000,000.00
		Promotion of pasture production – input support	8,000,000.00
		Leather Development	28,000,000.00
		Establishment of diagnostic lab for veterinary services	12,000,000.00
		Promotion of honey production	13,000,000.00
Fisheries and	Fisheries	Aquaculture Input support –	45,000,000.00

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Sub sector	Name of Programme	Development Project	Estimated Cost
Blue Economy	development and management	pond-liners, cages, fingerlings, gill nets, seine nets and fish feeds	
		Support operationalization of community feed mills	18,000,000.00
		Develop fish trading/marketing infrastructure	54,000,000.00
Lands and Physical Planning	Land resource Development and Management	Land Acquisition	100M
		Survey of Government land	9M
		Quality control of survey activities	1M
	County Physical Planning and infrastructure development	Storm water Drainage	10M
		Construction and rehabilitation of Auction rings	45M
		Integrated developments plans prepared for urban centers	9M
		Prepare development control tools	1M
ENERGY, INFRASTRUCTURE AND ICT			
Transport	Roads Development and Maintenance	Upgrading of Kanduyi – Musikoma to Dual Carriage way	1,382,442,975.76
		Upgrading of Misikhu – Brigadier Road to Bitumen	744,000,000.00
		Maintenance of Rural roads (RMLF, CEF, MTF, Gravel pits, Internal machinery)	1,437,000,000.00
		Maintenance of urban roads	100,000,000.00
		Construction of Bridges and Box Culverts	138,000,000.00
		Upgrading of Kimaeti – Sango Road to Bitumen	520,000,000.00
		Construction of Mechanical Workshop	50,000,000.00
	Public Safety and Transport Operations	Construction of fire station at Kapsokwony	20,000,000.00
		Construction of Pedestrian walkways	6,000,000.00
		Transformation of black spots to white spots	4,000,000.00
		Acquisition of fire engines and Ambulances	49,000,000.00
		Installation and repair of fire hydrants	5,000,000.00
		Construction of slip lanes	12,000,000.00

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Sub sector	Name of Programme	Development Project	Estimated Cost
	Building standards and Other Civil Works	Equipping of material testing lab	5,000,000.00
Energy	Energy development	Installation of streetlights across the county	40,000,000
		Develop Energy Master Plan	4,000,000
		Undertake Energy Audit	4,000,000
		Develop biogas demonstration units	20,000,000
Housing and Urban Development	Housing Development and Management	Housing Development	10B
		Estate management	12M
	Housing Financing and developer services	Identification of rights and secure land Bank	10M
		Affordable Housing Technology Centers	90M
	Coordination of the BIG 4 Targets of Affordable Housing	PPP for Affordable Housing	500M
		Affordable Housing Technologies	90M
	Sanitation management	Construction of Modern Sanitation Block in all the ten sub county headquarters.	50,000,000.00
		Rehabilitation of 5 KM sewer lines (Bungoma Drivers quarters and construct septic tank Webuye County Hospital).	30,000,000.00
		Procure Waste water exhauster	30,000,000.00
	GENERAL ECONOMIC AND COMMERCIAL AFFAIRS		
Industry	Industrial development	Development of Webuye Industrial Park	2 Billion
		Revive Cottage Industries (operationalize MSMIs)	30,000,000
Trade	Market Infrastructure Development, Management and maintenance	Development of Tier One Market	250,000,000
		Development of Markets Sheds and Stalls	50,000,000
	Trade and Enterprise Development	Disburse loan to traders	50,000,000
		Review of the County Trade loan scheme	3,000,000
		Develop Business Information	50,500,000

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Sub sector	Name of Programme	Development Project	Estimated Cost
		Centres	
		Capacity Building of entrepreneurs and linking them to potential partners	5,000,000
		Construct a meteorology lab	100,000,000
		Sensitize the community on fair trade practices	3,000,000
		Calibrate working standards and Inspector's testing equipment	2,500,000
		Verify and stamp weighing and measuring equipment	2,500,000
Cooperatives	Cooperatives development and management	Farm Input Support to Farmer Cooperative Societies - Fertilizer and Seeds	54,000,000.00
		Operationalization of coffee milling plants at Musese and Chesikaki	15,000,000.00
		Establishment of Coffee Nurseries for Farmer Cooperative Societies	7,500,000.00
		Purchase of coffee seedlings	18,000,000.00
		Infrastructural Support - Construction of a coffee bean store at Chesikaki Coffee Mill, Rehabilitation of coffee factories, Purchase of coffee roasters for coffee mills, Establish coffee drying tables for coffee societies, Construct 9 milk cooler houses, Purchase disk pulp machines for 4 coffee societies	97,678,000.00
		Support Income generating activities - Promotion of Macadamia Production, avocado production for export	9,500,000.00
		Bungoma Coffee Branding and Marketing	12,000,000.00
Tourism	Tourist Product Development and Marketing	Construction of Kaberwa park Gate	5,000,000
		Development of tourist attraction sites	10,500,000
		Purchase of land for strategic tourist site development	5,000,000
		Tourism events- Mt Elgon Jumbo Charge & Miss Tourism	10,000,000

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Sub sector	Name of Programme	Development Project	Estimated Cost
HEALTH			
Health	Curative and rehabilitative programme	Construction and equipping of Blood Donor Center	15,000,000.00
		Construction and equipping of ICU, Eye and ENT unit at BCRH	50,000,000.00
		Equipping of Bumula hospital theatre	20,000,000.00
		Construction of Maternity, ward at Sinoko Sub County Hospital	15,000,000.00
		Equipping of the Casualty department at BCRH	50,000,000.00
		Equipping of the male ward at Kimilili Sub County Hospital	10,000,000.00
		Renovation of Bungoma and Webuye hospital mortuaries	20,000,000.00
		Procurement of a Hearse	7,000,000.00
		Renovation of Mechimeru Health Centre (HC), Milo HC, Makhonge HC, Ndalua HC, Tongaren HC, Siboti HC, Nasusi, Mihuu, Kabula, Karima dispensaries and Sinoko Sub County Hospital	15,000,000.00
		Procurement of Chemistry Hematology Analyzers (Cheptais, Sinoko & Mt. Elgon) Laboratory Fridges (Naitiri, Cheptais, Sinoko), and Centrifuges for sub County hospitals.	10,000,000.00
Preventive and Promotive Health Services	Reproductive, Maternal, new-born and Adolescent Health	Construction of Isolation Ward at Webuye County Hospital	20,000,000.00
		Construction of a 300 Bed capacity Maternal and Child Health Unit at Bungoma County Referral Hospital (BCRH)	245,000,000.00
		Construction of a Maternal and Child Health Unit at Sirisia Sub County Hospital	80,000,000.00
EDUCATION			
Education	Vocational education and	Equipping of VTC with modern tools and equipment	5,100,000

Sub sector	Name of Programme	Development Project	Estimated Cost
	training	Erection and completion of workshops and perimeter wall at Muteremko VTC	15,000,000
		Erection and completion of dormitory and workshops at Wekelekha VTC	12,000,000
		Erection and completion of workshops and classrooms at Matulo VTC	10,651,625
		Tuition fee subsidy for VTC Trainees (1,779)	26,685,000
		Quality assurance field surveys	2,000,000
		VTC power electricity connection	3,400,300
		Health and wellbeing week for VTC	2,200,000
		Co-curriculum events for VTC	2,164,000
		Extra-curriculum events for VTC	2,000,000
		Rain water harvesting project	1,000,000
		e-VTC Student Education System	1,500,000
		VTC student welfare	1,779,000
		Landscaping for VTC	2,000,000
		Early childhood education	Procurement of learning materials for the pre-primary
	Capacity building of ECDE teachers on Competency based curriculum		1,200,000
	Immunization and vaccination of pre-primary pupils		2,000,000
	School feeding programme for the Pre-primary pupils		
	e-ECDE Education Information Management System		7,276,500
	ECDE power electricity connection		4,500,000
	Quality assurance field surveys		2,000,000
	Teacher Resource Management		1,000,000
	Teacher Resource Development		1,225,000
	ECDE power electricity connection		2,000,000
	Landscaping for ECDE		1,000,000
	Health and wellbeing ECDE		1,200,000
	Co-curriculum events for VTC and ECDE		1,600,000
	Extra-curriculum events for VTC	1,000,000	

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Sub sector	Name of Programme	Development Project	Estimated Cost
		and ECDE	
		Assessment of pre-primary school teachers	1,000,000
		Teacher Resource Welfare	
		Training of officers / teachers at the Kenya School of Government on Senior Management Course	1,000,000
		Rain water harvesting project	1,000,000
	Education support programme	Bursaries and scholarships management	245,000,000
PUBLIC ADMINISTRATION			
Gender	Gender Equality and Empowerment of Vulnerable Groups	Gender Empowerment and Leadership Academy	Ksh. 1 Billion
RECREATION, CULTURE AND SOCIAL PROTECTION			
Sports Development	Sports Facility development and management	Construction of Phase II High Altitude Centre	Ksh. 20 Million
		Modernization of Masinde Muliro Stadium	Ksh. 900 Million
		2 Youth centres	Kshs 10 million
		5 sub-county stadia	Kshs 50 million
Arts and Culture	Cultural Development and Management	10 cultural shrines	Kshs 10 Million
		Bomas of Bungoma	Ksh. 1.5 Billion
ENVIRONMENT PROTECTION, WATER AND NATURAL RESOURCES			
Water	Water and Sewerage Services Management	Projects prefeasibility, Engineering designs plans	15,000,000
		Chesikaki - Malakisi Pipeline Extension	20,000,000
		Terem - Chwele Water Project (KOICA 1)	20,000,000
		Chepyuk-Chwele- Kibabii(KOICA 2)	20,000,000
		kamarang water project	20,000,000
		Sitikho Water Project	10,000,000
		Monitoring and Evaluation	5,000,000
		Purchase of drilling rig and test pumping kit	80,000,000

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Sub sector	Name of Programme	Development Project	Estimated Cost
		Purchase of vehicles (Track for Rig)	8,000,000
		Purchase of water bowser	20,000,000
	Natural Resources Management	Greening services	87,200,000
	Integrated Solid Waste Management	Waste collection and disposal	178,500,000
		Dumpsite management	50,000,000
		3 in 1 litter bins	5,000,000
		Opening and cleaning of drainages and culverts	11,500,000
Environment	Environment Protection and Conservation	Urban monthly clean ups	5,000,000
		River cleaning and rehabilitation of riparian sites	5,250,000
		Recreation and Urban landscaping , beautification	4,500,000

Annex 5: Revenue Enhancement Measures

Land Rates

- i. Waiver of Land Rates Penalties
- ii. Fast-track the county valuation roll
- iii. fast-track the county Rating Act
- iv. Lands office to reconcile rates records
- v. Sue rates defaulters for recovery
- vi. Repossess plots in default – over 3 yrs

Trade Licenses

1. Proposed requirement for county trade license:
 - i. Food hygiene license
 - ii. Alcoholic drinks license
 - iii. Rates clearance certificate
 - iv. Temporary occupier license (for stalls along road reserves)
2. All county suppliers to acquire county trade licenses

County Houses and Stall Rent

- i. All county house occupants to sign tenancy agreements
- ii. Evict defaulters of county houses and stalls
- iii. Housing to develop a housing policy

Enforcement and Compliance

- i. Set up a Special revenue enforcement wing
- ii. First track the Inspectorate and Enforcement Bill
- iii. Payroll recovery for county officials who default payment of county taxes
- iv. Introduce county tax compliance certificate

Plan Approval

- i. Enact the Construction and Development Bill
- ii. Conduct survey of all construction sites with a view of enforcing 100% payment of approval fees

Health

- i. Facility medical superintends to be appointed receivers of revenue
- ii. All health fees and charges to be banked to the county revenue fund. Sec 109 of PFM
- iii. Develop an ERP Linking all health facilities

Parking

- i. The county to ensure parking spaces are duly marked in all urban areas and markets
- ii. Additional parking spaces created by upgrading backstreets to bitumen standards
- iii. Encourage private sector participation in provision of parking spaces
- iv. Review the preferential issuance of parking stickers to county/assembly staff

Veterinary services

- i. Enact animal control and welfare Bill
- ii. Future Closure of auction rings and slaughter houses to be approved by the cabinet
- iii. Veterinary department to be responsible for infrastructure of slaughter houses

Alcoholic Drinks Control License

- i. First track alcoholic drinks control regulations
- ii. Appoint county and sub county liquor license committees

Cess

- i. Constitute county cess committee
- ii. Require trucks delivering cereals to NCPB to pay at the entry

Public Health

- i. First track the Public Health and Sanitation Bill
- ii. Conduct a survey of all public facilities and amenities to certify compliance with public health laws
- iii. Provide flexible modalities of remittance including bank accounts and mobile cash transfer services